

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED  
FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AT 1 JANUARY - 31 DECEMBER 2021 TOGETHER  
WITH INDEPENDENT AUDITOR'S REPORT**



**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR’S REPORT  
ORIGINALLY ISSUED IN TURKISH**

**INDEPENDENT AUDITOR’S REPORT**

To the General Assembly of Doğan Şirketler Grubu Holding A.Ş.

**A. Audit of the consolidated financial statements**

**1. Opinion**

We have audited the accompanying consolidated financial statements of Doğan Şirketler Grubu Holding A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

**2. Basis for opinion**

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



### 3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matters  | How the key audit matter was addressed in the audit  |
|--|--|
| <p><b><i>Dealer contract assets included intangible assets</i></b></p> <p>In line with the market strategy, the Group is expanding its dealer network by signing contracts regarding intangible rights, utilization, advance sale support premiums, rent etc. with existing and new dealers. Based on these agreements with dealers, the accounting policies regarding intangible assets are explained in Note 2.2.</p> <p>As of 31 December 2021, in the consolidated statement of financial position, the recognised dealer contract assets under intangible assets were TRY 193,890 (Note 16). Since these dealer investment contract assets represent a significant share of the consolidated financial statements, and the impairment tests involve estimations such as sales amount, the accuracy of this matter in the financial statements is important for our audit and it has been evaluated as a key audit matter.</p> | <ul style="list-style-type: none"> <li>• Test in details using sampling method were performed on whether the payments to dealers were recognized in accordance with the terms and conditions specified in the signed agreements.</li> <li>• Payments recognized for new dealer contracts signed in 2021 were tested using the sampling method.</li> <li>• Budgeted sales figures per dealer contract, prepared by Group management, were obtained and comparing with 2021 actual figures, budgeted figures were assessed for possible impairment on dealer contract assets.</li> </ul> |

| Key Audit Matters  | How the key audit matter was addressed in the audit   |
|--|---|
| <p><b><i>Investment properties measured at fair value</i></b></p> <p>As explained in Note 14, as of 31 December 2021, the Group's investment properties, which have the carrying value of TRY2,005,201 thousand and represent a significant share of total assets, comprise of land and buildings.</p> <p>The accounting method used by Group management for investment properties is the "fair value method", as described in Note 2.2. Fair value of these assets are determined by independent valuers licensed by the Capital Markets Board (the "CMB") and are recognised in the consolidated financial statements after being assessed by Group management. Fair values of investment properties depend on the valuation method used as well as the input and assumptions used in the valuation model. Fair values are directly affected by factors such as market conditions, specific characteristics, physical condition and the geographic location of each investment property.</p> <p>The reasons for our focus on this area:</p> <ul style="list-style-type: none"> <li>• The quantitative importance of the investment properties on the consolidated financial statements,</li> <li>• When determining the fair values of the investment properties, methods such as the benchmarking analysis approach, cost approach and direct capitalisation approach are used, and these methods include variables that affect the fair values.</li> </ul> | <ul style="list-style-type: none"> <li>• Valuation reports prepared by the independent property valuers assigned by the Group were obtained and the property valuation accreditations and licences of these institutions granted by the Capital Markets Board are checked based on the Independent Audit Standards.</li> <li>• Deeds and ownership ratios of investment properties were tested on a sample basis.</li> <li>• We compared the consistency of the inputs which have a significant impact on the property value determined and were stated in the valuation reports, information of rentable area square meter and unit rent values, against observable market prices, and then tested whether the appraised values are within an acceptable range.</li> <li>• Inputs such as rental income, duration of lease agreements, occupancy rates and expenses, which are used in the valuation reports and have a significant impact on the real estate value, were tested.</li> <li>• The assumptions used by the appraisers in their valuations, whether the appraised values such as inflation and the real discount rate are within an acceptable range were evaluated together with our experts.</li> <li>• Fair values stated in the valuation reports were compared with the disclosures in the consolidated financial statements to assess if the values in the disclosures and accounting records are consistent with the valuation report and the disclosures are sufficient based on the requirements of TFRS.</li> </ul> |



#### **4. Responsibilities of management and those charged with governance for the consolidated financial statements**

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **5. Auditor's responsibilities for the audit of the consolidated financial statements**

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**B. Other responsibilities arising from regulatory requirements**

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Company’s bookkeeping activities concerning the period from 1 January to 31 December 2021 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on 3 March 2022.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökhan Yüksel, SMMM  
Partner

Istanbul, 3 March 2022

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

| CONTENTS  | PAGE    |
|---|---------|
| CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....   | 1-2     |
| CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....   | 3       |
| CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME.....                                     | 4       |
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....   | 5-6     |
| CONSOLIDATED STATEMENT OF CASH FLOW.....  | 7-8     |
| NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....   | 9-142   |
| NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS .....  | 9-11    |
| NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....                                    | 12-48   |
| NOTE 3 BUSINESS COMBINATIONS.....   | 49-54   |
| NOTE 4 INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD .....                                   | 55-60   |
| NOTE 5 SEGMENT REPORTING.....   | 61-65   |
| NOTE 6 CASH AND CASH EQUIVALENTS .....  | 66      |
| NOTE 7 FINANCIAL INVESTMENTS.....   | 67-69   |
| NOTE 8 SHORT AND LONG TERM FINANCIAL BORROWINGS .....   | 69-74   |
| NOTE 9 TRADE RECEIVABLES AND PAYABLES.....  | 74-75   |
| NOTE 10 RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS.....                          | 76-77   |
| NOTE 11 OTHER RECEIVABLES AND PAYABLES.....   | 78      |
| NOTE 12 INVENTORIES .....   | 79      |
| NOTE 13 BIOLOGICAL ASSETS .....   | 79      |
| NOTE 14 INVESTMENT PROPERTIES .....   | 80-81   |
| NOTE 15 PROPERTY, PLANT AND EQUIPMENT .....   | 82-83   |
| NOTE 16 INTANGIBLE ASSETS .....   | 84-86   |
| NOTE 17 RIGHT OF USE ASSETS.....  | 86-87   |
| NOTE 18 GOVERNMENT GRANTS .....   | 87      |
| NOTE 19 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....                                   | 88-92   |
| NOTE 20 COMMITMENTS.....  | 93-94   |
| NOTE 21 OTHER ASSETS.....   | 95      |
| NOTE 22 PREPAID EXPENSES AND DEFERRED INCOME .....  | 95-96   |
| NOTE 23 DERIVATIVE INSTRUMENTS.....   | 97      |
| NOTE 24 PROVISION FOR EMPLOYMENT BENEFITS .....   | 97-99   |
| NOTE 25 EQUITY.....   | 100-104 |
| NOTE 26 REVENUE AND COST OF SALES .....   | 105-110 |
| NOTE 27 MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES .....                          | 110-111 |
| NOTE 28 EXPENSES BY NATURE .....  | 111     |
| NOTE 29 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES .....                             | 111-112 |
| NOTE 30 INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES.....                                   | 112     |
| NOTE 31 FINANCE EXPENSES.....   | 113     |
| NOTE 32 ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS .....                  | 113     |
| NOTE 33 INCOME TAXES .....  | 114-118 |
| NOTE 34 EARNING/LOSS PER SHARE.....   | 118     |
| NOTE 35 RELATED PARTY DISCLOSURES .....   | 119-122 |
| NOTE 36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES.....                                | 122-133 |
| NOTE 37 FINANCIAL INSTRUMENTS.....  | 134-135 |
| NOTE 38 SHARES IN OTHER OPERATIONS .....  | 135     |
| NOTE 39 FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/<br>INDEPENDENT AUDIT FIRMS ..... | 136     |
| NOTE 40 SUBSEQUENT EVENTS.....  | 136-138 |



# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

| ASSETS   | Notes  | USD (*)<br>Audited<br>Current Period<br>31 December 2021 | Audited<br>Current Period<br>31 December 2021 | Audited<br>Prior Period<br>31 December 2020 |
|--|--------|--|---|---|
|  |        |  |   |   |
| <b>Current assets</b>                                    |        | 1,163,883  | <b>15,513,672</b>                             | <b>8,177,654</b>                            |
| Cash and cash equivalents                                | 6      | 348,573  | 4,646,127                                     | 2,905,947                                   |
| Financial investments                                    | 7      | 380,847  | 5,076,315                                     | 2,424,023                                   |
| Trade receivables  |        |  |   |   |
| - Due from related parties                               | 35     | 385  | 5,136   | 4,809                                       |
| - Due from non-related parties                           | 9      | 136,955  | 1,825,475                                     | 1,040,656                                   |
| Receivables from finance sector operations               |        |  |   |   |
| - Due from related parties                               | 10, 35 | 3,306  | 44,064  | -   |
| - Due from non-related parties                           | 10     | 86,990   | 1,159,490                                     | 736,330                                     |
| Balances with the Central Bank of the Republic of Turkey | 6      | 9,774  | 130,280                                       | -   |
| Other receivables  |        |  |   |   |
| - Due from non-related parties                           | 11     | 5,571  | 74,528  | 33,669                                      |
| Inventories  | 12     | 153,236  | 2,042,478                                     | 778,944                                     |
| Prepaid expenses   | 22     | 14,774   | 196,923                                       | 64,647                                      |
| Derivative instruments                                   | 23     | 3,520  | 46,920  | 22,683                                      |
| Biological assets  | 13     | 1,144  | 15,249  | 14,528                                      |
| Other current assets                                     | 21     | 18,785   | 250,387                                       | 149,828                                     |
| Non-current assets classified as held for sale           | 32     | 23   | 300   | 1,590                                       |
| <b>Non-current assets</b>                                |        | <b>508,746</b>   | <b>6,781,066</b>                              | <b>5,515,549</b>                            |
| Trade receivables  |        |  |   |   |
| - Due from non-related parties                           | 9      | 1,106  | 14,742  | 15,214                                      |
| Receivables from finance sector operations               |        |  |   |   |
| - Due from non-related parties                           | 10     | 1,073  | 14,304  | 17,819                                      |
| Financial investments                                    | 7      | 27,379   | 364,930                                       | 192,089                                     |
| Investments accounted for by the equity method           | 4      | 19,817   | 264,140                                       | 238,746                                     |
| Investment properties                                    | 14     | 150,439  | 2,005,201                                     | 1,444,883                                   |
| Property, plant and equipment                            | 15     | 152,711  | 2,035,484                                     | 1,741,232                                   |
| Intangible assets  |        |  |   |   |
| - Other intangible assets                                | 16     | 92,205   | 1,228,999                                     | 1,057,872                                   |
| - Goodwill   | 16     | 8,166  | 108,843                                       | 105,101                                     |
| Rights of use assets                                     | 17     | 26,991   | 359,761                                       | 257,549                                     |
| Prepaid expenses   | 22     | 4,313  | 57,482  | 15,759                                      |
| Deferred tax asset                                       | 33     | 10,422   | 138,916                                       | 111,516                                     |
| Other non-current assets                                 | 21     | 14,124   | 188,264                                       | 317,769                                     |
| <b>Total assets</b>                                      |        | <b>1,672,629</b>   | <b>22,294,738</b>                             | <b>13,693,203</b>                           |

The consolidated financial statements as of and for the period ended 31 December 2021 have been approved by the Board of Directors on 3 March 2022. These consolidated financial statements will be finalized following their approval in the General Assembly.

The accompanying notes are an integral part of these consolidated financial statements.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

| LIABILITIES   | Notes | USD (*)<br>Audited<br>Current Period<br>31 December 2021 | Audited<br>Current Period<br>31 December 2021 | Audited<br>Prior Period<br>31 December 2020 |
|---|-------|--|---|---|
| <b>Short-term liabilities</b>   |       | <b>444,279</b>   | <b>5,932,448</b>                              | <b>2,887,079</b>                            |
| Short-term borrowings   |       |  |   |   |
| - Short-term borrowings from non-related parties  |       |  |   |   |
| - Bank borrowings   | 8     | 167,181  | 2,232,362                                     | 1,679,820                                   |
| - Issued debt instruments   | 8     | 20,232   | 270,161                                       | 21,570                                      |
| - Short-term portion of long-term borrowings  |       |  |   |   |
| - Short-term portion of long-term borrowings from related parties   |       |  |   |   |
| - Lease borrowings  | 8, 35 | 717  | 9,574   | 5,855                                       |
| - Short-term portion of long-term borrowings from non-related parties   |       |  |   |   |
| - Bank borrowings   | 8     | 48,812   | 651,787                                       | 88,508                                      |
| - Lease borrowings  | 8     | 4,141  | 55,301  | 41,463                                      |
| Trade payables  |       |  |   |   |
| - Due to related parties  | 35    | 212  | 2,835   | 1,726                                       |
| - Due to non-related parties  | 9     | 143,284  | 1,913,270                                     | 709,590                                     |
| Payables from finance sector operations   |       |  |   |   |
| - Due to non-related parties  | 10    | 592  | 7,908   | 4,590                                       |
| Payables related to employee benefits   | 24    | 4,362  | 58,242  | 31,019                                      |
| Deferred income (Except obligations arising from customer contracts)  |       |  |   |   |
| - Deferred income from non-related parties (Except obligations arising from customer contracts)                       | 22    | 9,213  | 123,015                                       | 43,219                                      |
| Derivative instruments  | 23    | 1,331  | 17,776  | 41,263                                      |
| Other payables  |       |  |   |   |
| - Due to related parties  | 3, 35 | 2,030  | 27,107  | -   |
| - Due to non-related parties  | 11    | 7,080  | 94,533  | 152,061                                     |
| Current income tax liability  | 33    | 30,851   | 411,958                                       | 23,162                                      |
| Short-term provisions   |       |  |   |   |
| - Short-term provisions for employment benefits   | 24    | 2,434  | 32,497  | 21,959                                      |
| - Other short-term provisions   | 19    | 1,774  | 23,683  | 16,826                                      |
| Other short term liabilities  |       | 33   | 439   | 4,448                                       |
| <b>Long-term liabilities</b>  |       | <b>152,969</b>   | <b>2,042,610</b>                              | <b>1,427,887</b>                            |
| Long-term borrowings  |       |  |   |   |
| - Long-term borrowings from related parties   |       |  |   |   |
| - Lease borrowings  | 8, 35 | 962  | 12,839  | 14,148                                      |
| - Long-term borrowings from non-related parties   |       |  |   |   |
| - Bank borrowings   | 8     | 90,424   | 1,207,435                                     | 896,923                                     |
| - Lease borrowings  | 8     | 16,314   | 217,841                                       | 149,974                                     |
| Investments accounted for by the equity method  | 4     | 8,021  | 107,111                                       | 13,217                                      |
| Other payables  |       |  |   |   |
| - Due to non-related parties  | 11    | 386  | 5,149   | 8,841                                       |
| Deferred income (Except obligations arising from customer contracts)  |       |  |   |   |
| - Deferred income from non-related parties (Except obligations arising from customer contracts)                       | 22    | 1,494  | 19,956  | 12,070                                      |
| Long-term provisions  |       |  |   |   |
| - Long-term provisions for employment benefits  | 24    | 7,738  | 103,326                                       | 57,679                                      |
| - Other long term provisions  |       | 486  | 6,496   | 460   |
| Deferred tax liability  | 33    | 27,144   | 362,457                                       | 274,575                                     |
| <b>EQUITY</b>   |       | <b>1,072,395</b>   | <b>14,319,680</b>                             | <b>9,378,237</b>                            |
| <b>Equity attributable to equity holders of the parent company</b>  |       | <b>966,460</b>   | <b>12,905,136</b>                             | <b>8,439,989</b>                            |
| Share capital   | 25    | 195,981  | 2,616,938                                     | 2,616,938                                   |
| Adjustments to share capital  | 25    | 10,749   | 143,526                                       | 143,526                                     |
| Repurchased shares (-)  | 25    | (4,458)  | (59,533)                                      | (16,035)                                    |
| Share premiums (discounts)  | 25    | 2,633  | 35,159  | 35,159                                      |
| Other comprehensive income (losses) that will not be reclassified in profit or loss                                   |       |  |   |   |
| - Actuarial gains (losses) on defined benefit plans   | 25    | (2,203)  | (29,422)                                      | (12,913)                                    |
| Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method |       | (101)  | (1,347)                                       | 288   |
| Other comprehensive income (losses) that will be reclassified in profit or loss                                       |       |  |   |   |
| - Change in currency translation reserves   | 25    | 161,455  | 2,155,915                                     | 714,204                                     |
| - Gain (loss) on revaluation and reclassification of financial assets held for sale                                   | 25    | (6,511)  | (86,948)                                      | (6,973)                                     |
| Restricted reserves   | 25    | 76,439   | 1,020,689                                     | 913,068                                     |
| Retained earnings or accumulated losses   |       | 320,653  | 4,281,683                                     | 2,662,487                                   |
| Net profit or loss for the period   |       | 211,823  | 2,828,476                                     | 1,390,240                                   |
| <b>Non-controlling interests</b>  |       | <b>105,935</b>   | <b>1,414,544</b>                              | <b>938,248</b>                              |
| <b>Total liabilities</b>  |       | <b>1,669,643</b>   | <b>22,294,738</b>                             | <b>13,693,203</b>                           |

The accompanying notes are an integral part of these consolidated financial statements.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

|  |              | <i>USD<sup>(*)</sup></i><br><i>Audited</i><br><i>Current Period</i><br><b>1 January -</b> | <i>Audited</i><br><i>Current Period</i><br><b>1 January -</b> | <i>Audited</i><br><i>Prior Period</i><br><b>1 January -</b> |
|--|--------------|---|---|---|
|  | <b>Notes</b> | <b>31 December 2021</b>   | <b>31 December 2021</b>                                       | <b>31 December 2020</b>                                     |
| <b>Profit or Loss</b>  |              |   |   |   |
| Revenue  | 26           | 1,869,546   | 16,586,429  | 10,624,605  |
| Revenue From Finance Sector Operations   | 26           | 37,702  | 334,485   | 145,883   |
| <b>Total Revenue</b>   | <b>26</b>    | <b>1,907,248</b>  | <b>16,920,914</b>   | <b>10,770,488</b>   |
| Cost of Sales (-)  | 26           | (1,612,745)   | (14,308,109)  | (9,421,762)   |
| Cost of Finance Sector Operations (-)  | 26           | (19,622)  | (174,082)   | (59,862)  |
| <b>Total Costs</b>   | <b>26</b>    | <b>(1,632,367)</b>  | <b>(14,482,191)</b>   | <b>(9,481,624)</b>  |
| Gross Profit (Loss) (Non-Finance)  | 26           | 256,802   | 2,278,320   | 1,202,843   |
| Gross Profit (Loss) (Finance)  | 26           | 18,080  | 160,403   | 86,021  |
| <b>Gross Profit (Loss)</b>   | <b>26</b>    | <b>274,882</b>  | <b>2,438,723</b>  | <b>1,288,864</b>  |
| General Administrative Expenses (-)  | 27           | (50,383)  | (446,996)   | (290,534)   |
| Marketing Expenses (-)   | 27           | (77,635)  | (688,772)   | (432,513)   |
| Other Income From Operating Activities   | 29           | 171,506   | 1,521,588   | 821,132   |
| Other Expenses From Operating Activities (-)                                     | 29           | (63,852)  | (566,485)   | (160,338)   |
| Share of Gain (Loss) on Investments<br>Accounted for by the Equity Method        | 4            | (4,791)   | (42,509)  | (9,630)   |
| <b>Operating Profit/(Loss)</b>   |              | <b>249,727</b>  | <b>2,215,549</b>  | <b>1,216,981</b>  |
| Income from Investment Activities  | 30           | 267,044   | 2,369,192   | 841,925   |
| Expenses from Investment Activities (-)  | 30           | (1,493)   | (13,247)  | (542)   |
| <b>Operating Profit (Loss) Before<br/>Finance (Expense)/Income</b>               |              | <b>515,278</b>  | <b>4,571,494</b>  | <b>2,058,364</b>  |
| Finance Expenses (-)   | 31           | (81,755)  | (725,318)   | (326,394)   |
| <b>Profit (Loss) Before Taxation<br/>From Continued Operations</b>               |              | <b>433,523</b>  | <b>3,846,176</b>  | <b>1,731,970</b>  |
| <b>Tax Expense From Continued Operations</b>                                     | <b>33</b>    | <b>(88,333)</b>   | <b>(783,687)</b>  | <b>(287,889)</b>  |
| Tax Income/(Expense) for the Period  |              | (78,406)  | (695,613)   | (269,028)   |
| Deferred Tax Income/(Expense)  |              | (9,927)   | (88,074)  | (18,861)  |
| <b>Profit/(Loss) For The Period</b>  |              | <b>345,190</b>  | <b>3,062,489</b>  | <b>1,444,081</b>  |
| <b>Allocation of Profit/(Loss)<br/>For The Period</b>                            |              |   |   |   |
| Attributable to Non-Controlling Interests  |              | 26,377  | 234,013   | 53,841  |
| Attributable to Equity Holders of the<br>Parent Company                          |              | 318,813   | 2,828,476   | 1,390,240   |
| Gain/(Loss) Per Share Attributable<br>to Equity<br>Holders of the Parent Company | 34           | 0.1228  | 1.090   | 0.534   |

The accompanying notes are an integral part of these consolidated financial statements.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

|  |    | <i>USD (*)</i><br><i>Audited</i><br><i>Current Period</i><br><b>1 January -</b><br><b>31 December 2021</b> | <i>Audited</i><br><i>Current Period</i><br><b>1 January -</b><br><b>31 December 2021</b> | <i>Audited</i><br><i>Prior Period</i><br><b>1 January -</b><br><b>31 December 2020</b> |
|--|----|--|--|--|
| <b>Profit/(Loss) For The Period</b>  |    | <b>345,190</b>   | <b>3,062,489</b>   | <b>1,444,081</b>   |
| <b>OTHER COMPREHENSIVE INCOME</b>  |    |  |  |  |
| <b>That will not be reclassified as profit or loss</b>                                     |    |  |  |  |
| Defined benefit plans re-measurement gains/(losses)  | 24 | (3,261)  | (28,934)   | (2,660)  |
| Defined benefit plans re-measurement gains/(losses) of investments valued by equity method |    | (258)  | (2,291)  | (366)  |
| <b>Taxes on other comprehensive income that will not be reclassified in profit or loss</b> |    |  |  |  |
| - Tax effect of actuarial gains (losses) on defined benefit plans                          |    | 704  | 6,245  | 605  |
| <b>That will be reclassified as profit or loss</b>   |    |  |  |  |
| Currency translation differences   |    | 162,353  | 1,440,377  | 252,328  |
| Gain/(Loss) on revaluation and/or reclassification of financial assets available for sale  | 7  | (11,389)   | (101,039)  | (52,873)   |
| Other comprehensive income (loss) related with cash flow hedges                            |    |  |  |  |
| Taxes related to other comprehensive income that will be reclassified as profit or loss    |    |  |  |  |
| - Tax effect on revaluation and/or reclassification of financial assets available for sale |    | 2,374  | 21,064   | 449  |
| <b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>   |    | <b>150,523</b>   | <b>1,335,422</b>   | <b>197,483</b>   |
| <b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>   |    | <b>495,713</b>   | <b>4,397,911</b>   | <b>1,641,564</b>   |
| <b>Allocation of Total Comprehensive Income/(Loss)</b>                                     |    |  |  |  |
| Attributable to Non-Controlling Interests  |    | 25,456   | 225,843  | 52,879   |
| Attributable to Equity Holders of the Parent Company                                       |    | 470,257  | 4,172,068  | 1,588,685  |

(\*) As explained in the Note 2.1.8 to the consolidated financial statements, USD amounts presented in these consolidated financial statements have been included solely for the convenience of the reader and are translated from TRY, as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with generally accepted accounting standards issued by the Capital Market Board ("CMB") as of 31 December 2021.

The accompanying notes are an integral part of these consolidated financial statements.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS

1 JANUARY - 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

|  | Notes | Accumulated other comprehensive income or loss that will not be reclassified to profit or loss |                              |                    |   | Accumulated other comprehensive income or loss that will be reclassified to profit or loss                            |                           |   |                                  | Retained earnings   |                                       |                                  |   | Non-controlling interest | Equity     |
|--|-------|--|------------------------------|--------------------|---|---|---------------------------|---|----------------------------------|---------------------|---------------------------------------|----------------------------------|---|--------------------------|------------|
|  |       | Share Capital  | Adjustments to share capital | Repurchased shares | Actuarial gains/(losses) on defined benefit plans | Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method | Share premiums/ discounts | Gain/(loss) on revaluation and/or reclassification of financial assets available for sale | Currency translation differences | Restricted reserves | Retained earnings/ accumulated losses | Net profit/(loss) for the period | Equity attributable to equity holders of the parent company |                          |            |
| Balance at 1 January 2021  | 25    | 2,616,938  | 143,526                      | (16,035)           | (12,913)  | 288   | 35,159                    | (6,973)   | 714,204                          | 913,068             | 2,662,487                             | 1,390,240                        | 8,439,989   | 938,248                  | 9,378,237  |
| Transfers  |       | -  | -                            | -                  | -   | -   | -                         | -   | -                                | 107,621             | 1,282,619                             | (1,390,240)                      | -   | -                        | -          |
| Acquisition or disposal of a subsidiary (Note 3)                       |       | -  | -                            | -                  | -   | -   | -                         | -   | -                                | -                   | -                                     | -                                | -   | 10,379                   | 10,379     |
| Dividends  |       | -  | -                            | -                  | -   | -   | -                         | -   | -                                | -                   | (180,000)                             | -                                | (180,000)   | -                        | (180,000)  |
| Transactions with non-controlling interest shareholders <sup>(*)</sup> |       | -  | -                            | -                  | -   | -   | -                         | -   | -                                | -                   | 516,577                               | -                                | 516,577   | 225,059                  | 741,636    |
| Increase (decrease) due to repurchase transactions of shares           |       | -  | -                            | (43,498)           | -   | -   | -                         | -   | -                                | -                   | -                                     | -                                | (43,498)  | -                        | (43,498)   |
| Does not result in loss of control in subsidiaries                     |       | -  | -                            | -                  | -   | -   | -                         | -   | -                                | -                   | -                                     | -                                | -   | -                        | -          |
| increase/decrease due to share rate changes                            |       | -  | -                            | -                  | -   | -   | -                         | -   | -                                | -                   | -                                     | -                                | -   | 15,015                   | 15,015     |
| Total comprehensive income/(loss)                                      |       | -  | -                            | -                  | (16,509)  | (1,635)   | -                         | (79,975)  | 1,441,711                        | -                   | -                                     | 2,828,476                        | 4,172,068   | 225,843                  | 4,397,911  |
| Profit (loss) for the period   |       | -  | -                            | -                  | -   | -   | -                         | -   | -                                | -                   | -                                     | 2,828,476                        | 2,828,476   | 234,013                  | 3,062,489  |
| Other comprehensive income (loss)                                      |       | -  | -                            | -                  | (16,509)  | (1,635)   | -                         | (79,975)  | 1,441,711                        | -                   | -                                     | -                                | 1,343,592   | (8,170)                  | 1,335,422  |
| - Currency translation differences                                     |       | -  | -                            | -                  | -   | -   | -                         | -   | 1,441,711                        | -                   | -                                     | -                                | 1,441,711   | (1,334)                  | 1,440,377  |
| - Defined benefit plans re-measurement gains/(losses)                  |       | -  | -                            | -                  | (16,509)  | (1,635)   | -                         | -   | -                                | -                   | -                                     | -                                | (18,144)  | (6,836)                  | (24,980)   |
| - Change in financial asset revaluation fund                           |       | -  | -                            | -                  | -   | -   | -                         | (79,975)  | -                                | -                   | -                                     | -                                | (79,975)  | -                        | (79,975)   |
| -  |       | -  | -                            | -                  | -   | -   | -                         | -   | -                                | -                   | -                                     | -                                | -   | -                        | -          |
| Balance at 31 December 2021  | 25    | 2,616,938  | 143,526                      | (59,533)           | (29,422)  | (1,347)   | 35,159                    | (86,948)  | 2,155,915                        | 1,020,689           | 4,281,683                             | 2,828,476                        | 12,905,136  | 1,414,544                | 14,319,680 |

(\*) The details are explained in Note 25.

The accompanying notes are an integral part of these consolidated financial statements.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS

1 JANUARY - 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

|  | Notes | Accumulated other comprehensive income or loss that will not be reclassified to profit or loss |                              |                    |   |   | Accumulated other comprehensive income or loss that will be reclassified to profit or loss |   |                                  | Retained earnings   |                                       |                                  | Non-controlling interest | Equity  |   |
|--|-------|--|------------------------------|--------------------|---|---|--|---|----------------------------------|---------------------|---------------------------------------|----------------------------------|--------------------------|---------|---|
|  |       | Share Capital  | Adjustments to share capital | Repurchased shares | Actuarial gains/(losses) on defined benefit plans | Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method | Share premiums/ discounts  | Gain/(loss) on revaluation and/or reclassification of financial assets available for sale | Currency translation differences | Restricted reserves | Retained earnings/ accumulated losses | Net profit/(loss) for the period |                          |         | Equity attributable to equity holders of the parent company |
| Balance at 1 January 2020                                    | 25    | 2,616,938  | 143,526                      | (7,073)            | (11,202)  | 581   | 35,159   | 45,451  | 461,331                          | 722,081             | 2,513,028                             | 616,789                          | 7,136,609                | 494,731 | 7,631,340   |
| Transfers  |       | -  | -                            | -                  | -   | -   | -  | -   | -                                | 190,987             | 425,802                               | (616,789)                        | -                        | -       | -   |
| Dividends  |       | -  | -                            | -                  | -   | -   | -  | -   | -                                | -                   | (99,479)                              | -                                | (99,479)                 | (174)   | (99,653)  |
| Capital increase   |       | -  | -                            | -                  | -   | -   | -  | -   | -                                | -                   | -                                     | -                                | -                        | 68,750  | 68,750  |
| Acquisition or disposal of subsidiary                        |       | -  | -                            | -                  | -   | -   | -  | -   | -                                | -                   | (215,260)                             | -                                | (215,260)                | 322,062 | 106,802   |
| - Acquisition or disposal of a subsidiary (Note 3)           |       | -  | -                            | -                  | -   | -   | -  | -   | -                                | -                   | (215,260)                             | -                                | (215,260)                | 322,062 | 106,802   |
| Transactions with non-controlling interest shareholders      |       | -  | -                            | -                  | -   | -   | -  | -   | -                                | -                   | 38,396                                | -                                | 38,396                   | -       | 38,396  |
| Increase (decrease) due to repurchase transactions of shares |       | -  | -                            | (8,962)            | -   | -   | -  | -   | -                                | -                   | -                                     | -                                | -                        | -       | (8,962)   |
| Total comprehensive income/(loss)                            |       | -  | -                            | -                  | (1,711)   | (293)   | -  | (52,424)  | 252,873                          | -                   | -                                     | 1,390,240                        | 1,588,685                | 52,879  | 1,641,564   |
| Profit (loss) for the period                                 |       | -  | -                            | -                  | -   | -   | -  | -   | -                                | -                   | -                                     | 1,390,240                        | 1,390,240                | 53,841  | 1,444,081   |
| Other comprehensive income (loss)                            |       | -  | -                            | -                  | (1,711)   | (293)   | -  | (52,424)  | 252,873                          | -                   | -                                     | -                                | 198,445                  | (962)   | 197,483   |
| - Currency translation differences                           |       | -  | -                            | -                  | -   | -   | -  | -   | 252,873                          | -                   | -                                     | -                                | 252,873                  | (545)   | 252,328   |
| - Defined benefit plans re-measurement gains/(losses)        |       | -  | -                            | -                  | (1,711)   | (293)   | -  | -   | -                                | -                   | -                                     | -                                | (2,004)                  | (417)   | (2,421)   |
| - Change in financial asset revaluation fund                 |       | -  | -                            | -                  | -   | -   | -  | (52,424)  | -                                | -                   | -                                     | -                                | (52,424)                 | -       | (52,424)  |
| -  |       |  |                              |                    |   |   |  |   |                                  |                     |                                       |                                  |                          |         |   |
| Balance at 31 December 2020                                  | 25    | 2,616,938  | 143,526                      | (16,035)           | (12,913)  | 288   | 35,159   | (6,973)   | 714,204                          | 913,068             | 2,662,487                             | 1,390,240                        | 8,439,989                | 938,248 | 9,378,237   |

The accompanying notes are an integral part of these consolidated financial statements.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

|   |                | USD <sup>(*)</sup><br>Audited<br>Current Period<br>1 January -<br>31 December 2021 | Audited<br>Current Period<br>1 January -<br>31 December 2021 | Audited<br>Prior Period<br>1 January -<br>31 December 2020 |
|---|----------------|--|--|--|
|   | Notes          |  |  |  |
| <b>A. Net Cash From Operating Activities</b>  |                | <b>120,320</b>   | <b>1,067,469</b>   | <b>712,465</b>   |
| Profit/(loss) for the period  |                | 345,190  | 3,062,489  | 1,444,081  |
| <b>Adjustments regarding reconciliation of net profit (loss) for the period</b>                             |                | <b>(18,878)</b>  | <b>(167,492)</b>   | <b>(403,325)</b>   |
| Adjustments related to depreciation and amortization  | 12, 15, 16, 17 | 46,409   | 411,740  | 335,843  |
| Adjustments related to provisions   |                |  |  |  |
| - Adjustments related to provisions for (reversal of) employee benefits                                     | 24             | 2,806  | 24,893   | 14,855   |
| - Adjustments related to provisions (reversal) for lawsuits and/or penalty                                  |                | 1,115  | 9,889  | 2,972  |
| - Adjustments related to other provisions (reversals)   |                | 1,872  | 16,607   | 14,690   |
| Adjustments related to interest (income) and expenses   |                |  |  |  |
| - Adjustments related to interest income  | 29, 30         | (27,843)   | (247,022)  | (167,161)  |
| - Adjustments related to interest expenses  | 31             | 40,178   | 356,454  | 204,888  |
| - Deferred financial expense due to purchases with maturity   | 29             | 13,978   | 124,008  | 27,680   |
| - Unrealized financial income due from sales with maturity  | 29             | (12,616)   | (111,927)  | (43,841)   |
| Adjustments related to changes in unrealised foreign exchange differences                                   |                | (108,844)  | (965,654)  | (809,409)  |
| Adjustments related to fair value (gains) losses  |                | (62,850)   | (557,598)  | (128,883)  |
| Adjustments related to losses (gains) on disposal of non-current assets                                     | 30             | (3,483)  | (30,901)   | (20,794)   |
| Adjustments related to undistributed profits of investments accounted for by the equity method              | 4              | 4,791  | 42,509   | 9,630  |
| Adjustments related to tax income (expense)   | 33             | 88,334   | 783,687  | 287,889  |
| Adjustments related to losses (gains) on disposal of subsidiaries, joint ventures and financial investments | 30             | -  | -  | (131,684)  |
| Adjustments related to earnings obtained as a result of the negotiated purchase                             | 3, 30          | (2,725)  | (24,177)   | -  |
| <b>Changes in working capital</b>   |                | <b>(181,414)</b>   | <b>(1,609,470)</b>   | <b>(219,975)</b>   |
| Decrease (increase) in the balances with the Central Bank of the Republic of Turkey                         |                | (14,685)   | (130,280)  | -  |
| Decrease (increase) in receivables from finance sector operations   |                | (53,702)   | (476,436)  | (99,486)   |
| Adjustments for decrease/(increase) in inventories  |                | (137,305)  | (1,218,158)  | (109,385)  |
| Adjustments for decrease/(increase) in trade receivables  |                |  |  |  |
| - (Increase)/decrease in trade receivables from related parties   |                | (37)   | (327)  | (1,314)  |
| - (Increase)/decrease in trade receivables from non-related parties   |                | (68,244)   | (605,455)  | 141,964  |
| Increase (decrease) in payables due to employee benefits  |                | 3,068  | 27,223   | 9,008  |
| Adjustments regarding decrease/(increase) in other receivables on operations                                |                |  |  |  |
| - (Increase)/decrease in other receivables regarding operations with non-related parties                    |                | (4,552)  | (40,381)   | (14,581)   |
| Adjustments regarding increase (decrease) in trade payables   |                |  |  |  |
| - Increase/(decrease) in trade payables to related parties  |                | 125  | 1,109  | 1,363  |
| - Increase/(decrease) in trade payables to non-related parties  |                | 112,776  | 1,000,540  | (52,231)   |
| Decrease (increase) in receivables from finance sector operations   |                | 374  | 3,318  | 542  |
| Adjustments regarding increase (decrease) in other payables on operations                                   |                |  |  |  |
| - Increase/(decrease) in other payables to non-related parties  |                | (8,447)  | (74,941)   | 20,755   |
| Adjustments for other increase (decrease) in working capital  |                |  |  |  |
| - (Increase)/decrease in other assets regarding operations  |                | (18,500)   | (164,131)  | (136,573)  |
| - Increase/(decrease) in other liabilities regarding operations   |                | 7,715  | 68,449   | 19,963   |
| <b>Net Cash From Operating Activities</b>   |                | <b>144,898</b>   | <b>1,285,527</b>   | <b>820,781</b>   |
| Employee termination benefits paid  | 24             | (621)  | (5,511)  | (4,470)  |
| Income tax refunds (payments)   | 33             | (34,583)   | (306,817)  | (259,496)  |
| Other cash inflows/(outflows)   |                | -  | -  | 1,019  |
| Interest received   |                | 10,626   | 94,270   | 154,631  |

The accompanying notes are an integral part of these consolidated financial statements.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2021 AND 2020

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

|  |          | USD <sup>(*)</sup><br>Audited<br>Current Period<br>1 January -<br>31 December 2021 | Audited<br>Current Period<br>1 January -<br>31 December 2021 | Audited<br>Prior Period<br>1 January -<br>31 December 2020 |
|--|----------|--|--|--|
|  | Notes    |  |  |  |
| <b>B. Net Cash From Investing Activities</b>   |          | <b>(165,512)</b>   | <b>(1,468,405)</b>   | <b>(1,985,939)</b>   |
| Cash outflows regarding capital increase and/or share purchase of associates and/or joint ventures                     | 3, 4     | (10)   | (87)   | (665,869)  |
| Cash inflow due to capital reduction or sale of shares in associates and / or joint ventures                           | 4, 32    | -  | -  | 157,171  |
| Cash inflow due to sale of property, plant, equipment and intangible assets  |          | 18,194   | 161,413  | 76,939   |
| Cash outflows from purchase of property, plant, equipment and intangible assets  | 15, 16   | (78,697)   | (698,190)  | (692,741)  |
| Cash inflows from the sale of investment property  |          | 148  | 1,317  | -  |
| Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments                     | 7        | (362,999)  | (3,220,489)  | (1,869,982)  |
| Cash inflows from the sale of shares or debt instruments of other enterprises or funds                                 | 7        | 173,007  | 1,534,899  | 866,231  |
| Cash inflows from sales that do not result in loss of control of subsidiaries  |          | 83,594   | 741,636  | 38,396   |
| Other cash inflows/(outflows)  |          | 1,251  | 11,096   | 103,916  |
| <b>C. Net Cash from Financing Activities</b>   |          | <b>69,324</b>  | <b>615,032</b>   | <b>73,951</b>  |
| Proceeds from borrowings   |          |  |  |  |
| <i>Cash inflows from borrowings</i>  | 8        | 1,450,392  | 12,867,732   | 6,484,186  |
| <i>Cash inflows from issued debt instruments</i>   | 8        | 16,760   | 148,691  | 21,570   |
| Cash outflows on debt payment  |          |  |  |  |
| <i>Cash outflows due to payments of bank borrowings</i>  | 8        | (1,334,946)  | (11,843,510)   | (6,204,513)  |
| Cash outflows on debt payments due to leasing  | 8        | (10,883)   | (96,550)   | (106,872)  |
| Interest paid  |          | (26,807)   | (237,833)  | (80,138)   |
| Dividends paid   |          | (20,289)   | (180,000)  | (99,479)   |
| Other cash inflows/(outflows)  |          | -  | -  | 68,159   |
| Cash outflows from the purchase of the company's own shares and other equity instruments                               | 25       | (4,903)  | (43,498)   | (8,962)  |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES (A+B+C)</b> |          | <b>24,132</b>  | <b>214,096</b>   | <b>(1,199,523)</b>   |
| <b>D. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS</b>                                     |          | <b>171,270</b>   | <b>1,519,494</b>   | <b>827,146</b>   |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>  |          | <b>195,402</b>   | <b>1,733,590</b>   | <b>(372,377)</b>   |
| <b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>   | <b>6</b> | <b>327,369</b>   | <b>2,904,381</b>   | <b>3,276,758</b>   |
| <b>F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>   | <b>6</b> | <b>522,771</b>   | <b>4,637,971</b>   | <b>2,904,381</b>   |

The accompanying notes are an integral part of these consolidated financial statements.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Doğan Şirketler Grubu Holding A.Ş. (“Doğan Holding”, “Holding” or the “Group”) was established on 22 September 1980 and is registered in Turkey. Main operating activity of the Holding is to invest in various sectors via associates, to provide all necessary support to its subsidiaries and joint ventures in order to develop their activities.

Doğan Holding is registered with the Capital Markets Board (“CMB”) and its shares have been quoted on Borsa İstanbul (“Borsa İstanbul”) since 21 June 1993. Within the frame of Resolution No, 21/655 dated 23 July 2010 of CMB with the decision on 30 October 2014 numbered 31/1059; according to the records of Central Registry Agency (“CRA”), 35.78% shares of Doğan Holding are to be considered in circulation as of 31 December 2021 (31 December 2020: 35.84%). As of 2 March 2022, circulation rate of shares are 35.78%.

The address of Holding is as follows:

Burhaniye Mahallesi Kısıklı Caddesi No: 65  
Üsküdar 34676 İstanbul

As of 31 December 2021, the total number of personnel in the domestic and abroad subsidiaries and associates of the Group, that are consolidated, is 4,019 (domestic 3,691) (31 December 2020: 3,533; domestic 3,225). Holding has 46 employees (31 December 2020: 42 employees).

The natures of the business, segment and countries of the subsidiaries (“Subsidiaries”) and joint ventures (“Joint Ventures”) of Doğan Holding are as follows:

##### *Fuel Retail*

| Subsidiaries  | Nature of business | Country |
|---|--------------------|---------|
| Aytemiz Akaryakıt Dağıtım A.Ş. (“Aytemiz Akaryakıt”)                | Energy             | Turkey  |
| Aytemiz Petrolcülük Ticaret Limited Şirketi (“Aytemiz Petrolcülük”) | Energy             | Turkey  |
| İstasyon Petrol Ticaret Limited Şirketi (“İstasyon Petrolcülük”)    | Energy             | Turkey  |
| Joint Ventures  | Nature of business | Country |
| Gas Plus Erbil Ltd. (“Gas Plus Erbil”)                              | Energy             | Jersey  |

##### *Electricity Production*

| Subsidiaries  | Nature of business | Country |
|---|--------------------|---------|
| Galata Wind Enerji A.Ş. (“Galata Wind”)                               | Energy             | Turkey  |
| Sunflower Solar Güneş Enerjisi Sistemleri Ticaret A. Ş. (“Sunflower”) | Energy             | Turkey  |
| Joint ventures  | Nature of business | Country |
| Boyabat Elektrik Üretim ve Ticaret A.Ş. (“Boyabat Elektrik”)          | Energy             | Turkey  |
| Aslancık Elektrik Üretim A.Ş. (“Aslancık Elektrik”)                   | Energy             | Turkey  |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

##### Industry and Trade

| Subsidiaries   | Nature of business | Country |
|--|--------------------|---------|
| Çelik Halat ve Tel Sanayii A.Ş. ("Çelik Halat")                                    | Production         | Turkey  |
| Çelik Halat Netherlands B.V. ("Çelik Halat Netherlands")                           | Trade              | Holland |
| Ditaş Doğan Yedek Parça İmalat ve Teknik A.Ş. ("Ditaş Doğan")                      | Production         | Turkey  |
| Profil Sanayi ve Ticaret A.Ş. ("Profil Sanayi") <sup>(1)</sup>                     | Production         | Turkey  |
| 3S Kalıp Aparat Makine Sanayi ve Ticaret A.Ş. ("3S Kalıp") <sup>(1)</sup>          | Production         | Turkey  |
| Profilsan GmbH ("Profilsan GmbH") <sup>(1)</sup>                                   | Foreign Trade      | Germany |
| Doğan Dış Ticaret ve Mümesillik A.Ş. ("Doğan Dış Ticaret")                         | Foreign Trade      | Turkey  |
| Falcon Purchasing Services Ltd. ("Falcon")   | Foreign Trade      | England |
| Neta Yönetim Danışmanlık Havacılık Hizmetleri A.Ş. ("Neta Yönetim") <sup>(2)</sup> | Aviation           | Turkey  |
| Kelkit Doğan Besi İşletmeleri A.Ş. ("Kelkit Doğan Besi")                           | Husbandry          | Turkey  |
| Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş. ("Sesa Ambalaj")                       | Production         | Turkey  |
| Sesa Üretim Yatırımları ve Yönetim Hizmetleri A.Ş. ("Sesa Yatırım")                | Production         | Turkey  |

##### Automotive Trade and Marketing

| Subsidiaries   | Nature of business | Country |
|--|--------------------|---------|
| Suzuki Motorlu Araçlar Pazarlama A.Ş. ("Suzuki")                               | Trade              | Turkey  |
| Doğan Trend Otomotiv Ticaret Hizmet ve Teknoloji A.Ş. ("Doğan Trend Otomotiv") | Trade              | Turkey  |

##### Financing and Investment

| Subsidiaries   | Nature of business         | Country |
|--|----------------------------|---------|
| Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Öncü Girişim")         | Investment                 | Turkey  |
| D Yatırım Bankası A.Ş. ("D Yatırım Bankası") <sup>(3)</sup>            | Investment Banking         | Turkey  |
| Doruk Faktoring A.Ş. ("Doruk Faktoring")                               | Factoring                  | Turkey  |
| Doruk Finansman A.Ş. ("Doruk Finansman") <sup>(4)</sup>                | Finance                    | Turkey  |
| DHI Investment B.V. ("DHI Investment")                                 | Investment                 | Holland |
| Değer Merkezi Hizmetler ve Yönetim Danışmanlığı A.Ş. ("Değer Merkezi") | Administrative Consultancy | Turkey  |
| Doğan Trend Sigorta A.Ş. ("Doğan Trend Sigorta") <sup>(5)</sup>        | Insurance                  | Turkey  |

##### Internet and Entertainment

| Subsidiaries  | Nature of business         | Country |
|---|----------------------------|---------|
| Dogan Media International S.A. ("Kanal D Romanya")  | Tv publishing              | Romania |
| Rapsodi Radyo ve Televizyon Yayıncılık A.Ş. ("Rapsodi Radyo")                             | Radio publishing           | Turkey  |
| Glokal Dijital Hizmetler Pazarlama ve Ticaret A.Ş. ("Glokal")                             | Internet services          | Turkey  |
| DMC Invest B.V. ("DMC Invest")  | Investment                 | Holland |
| Dogan Media Invest B.V. ("Dogan Media Invest")  | Investment                 | Holland |
| Glocal Invest B.V. ("Glocal Invest")  | Investment                 | Holland |
| DG Invest B.V. ("DG Invest")  | Investment                 | Holland |
| İnnobil Bilişim Teknolojileri ve Danışmanlık Ltd.Şti. ("İnnobil")                         | Technology and informatics | Turkey  |
| Doğan Yayınları Yayıncılık ve Yapımcılık Ticaret A.Ş. ("Doğan Yayıncılık") <sup>(6)</sup> | Magazine publishing        | Turkey  |

- (1) The related companies were purchased by our subsidiary, Ditaş Doğan, and the aforementioned acquisition was approved at the Competition Board meeting on 25 November 2021.
- (2) The merger of the group's subsidiaries, Milta Turizm İşletmeleri A.Ş. and Neta Yönetim Danışmanlık Havacılık Hizmetleri A.Ş., was registered on 4 January 2022.
- (3) The establishment of the related subsidiary was registered on 22 June 2020 and the operating authorization was obtained on 21 May 2021.
- (4) A total of 19,400,000(exact) of the 29,100,000 (exact) shares in Doruk Finansman A.Ş., in which the Group has a 97% share in the fully paid-in capital of 30,000,000 (exact) Turkish Liras, with a nominal value of 29,100,000 (exact) Turkish Liras, all of which are registered shares, each with a nominal value of 1,000 Turkish Liras. The "Closing Protocol" regarding the sale and transfer to Hepsi Finansal Danışmanlık A.Ş. was signed on 28 February 2022.
- (5) The establishment of the related subsidiary was registered on 29 September 2021. With the Board of Directors decision dated 15 September 2021, Öncü Girişim, the subsidiary of the Group, approved the establishment of Doğan Trend Sigorta to operate in the field of insurance. Doğan Trend Sigorta will start operating after obtaining the necessary legal permissions.
- (6) It was decided that the shares corresponding to 50% of the capital and voting rights of the relevant subsidiary to be taken over as of 16 February 2021 and controlled by the Group. "Closing" transactions were completed as of 26 April 2021 and Doğan Egmont's commercial name was registered as Doğan Yayınları Yayıncılık ve Yapımcılık Ticaret A.Ş. and Doğan Şirketler Grubu Holding A.Ş. became the sole shareholder.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

##### *Internet and Entertainment (Continued)*

| Joint Ventures  | Nature of business      | Country |
|---|-------------------------|---------|
| Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")                        | Magazine publishing     | Turkey  |
| Dergi Pazarlama Planlama ve Ticaret A.Ş. ("DPP")                                      | Planning                | Turkey  |
| Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablolu") | Telecommunication       | Turkey  |
| NetD Müzik Video Dijital Platform ve Ticaret A.Ş. ("NetD Müzik")                      | Internet services       | Turkey  |
| Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")   | Music and entertainment | Turkey  |

##### *Real Estate Investments*

| Subsidiaries   | Nature of business     | Country |
|--|------------------------|---------|
| Milpa Ticari ve Smaı Ürünler Pazarlama Sanayi ve Ticaret A.Ş. ("Milpa")    | Real estate/Trade      | Turkey  |
| D Gayrimenkul Yatırımları ve Ticaret A.Ş. ("D Gayrimenkul")                | Real estate management | Turkey  |
| SC D-Yapı Real Estate, Investment and Construction S.A. ("D Yapı Romanya") | Real estate management | Romania |
| Milta Turizm İşletmeleri A.Ş. ("Milta Turizm")                             | Real estate management | Turkey  |
| Marlin Otelcilik ve Turizm A.Ş. ("Marlin Otelcilik")                       | Real estate management | Turkey  |
| M Investment 1 LLC ("M Investment")  | Real estate management | USA     |

| Joint Ventures   | Nature of business     | Country |
|--|------------------------|---------|
| Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş. ("Kandilli Gayrimenkul") | Real estate management | Turkey  |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

#### 2.1 Basis of Presentation

##### 2.1.1 Preparation and Presentation of Financial Statements

###### Adopted Financial Reporting Standards

The accompanying consolidated financial statements are prepared in accordance with 2019 TAS Taxonomy based on the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets” and Turkish Financial Reporting Standards (“TFRS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”), which is developed by POA and announced to the public by the decision of the POA on 15 April 2019 in accordance with paragraph 9(b) of Decree Law No. 660.

The Group maintains their legal books of accounts in Turkish Lira in accordance with the Tax Legislation, and the Uniform Chart of Accounts (General Communiqué on Accounting System Implementation) issued by the Ministry of Finance.

These consolidated financial statements, except for the financial assets and investment properties that are presented at fair value, are prepared on the basis of historical cost.

###### Adjustment to the financial statements in hyperinflationary periods

The Public Oversight Authority made a declaration on the Implementation of Financial Reporting in High Inflation Economies within the scope of Turkish Financial Reporting Standards for the Large and Medium Sized Enterprises on 20 January 2022, and it has been stated that there is no need to make any adjustments within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies in the consolidated financial statements for 2021.

###### Functional and Presentation Currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Turkish Lira, which is the functional and presentation currency of Doğan Holding.

##### 2.1.2 Financial statements of subsidiaries and joint ventures operating in foreign countries

Financial statements of subsidiaries and joint ventures operating in foreign countries are prepared in accordance with the laws and regulations in force in the countries in which they are registered and required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Group’s accounting policies.

If the group entities’ functional currency is different from the presentation currency; it is translated into the presentation currency as below:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- Income and expenses for each statement of profit or loss are translated at average exchange rates in the accounting period; and all resulting exchange differences are recognised as a separate component of equity and statements of other comprehensive income (currency translation differences).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of Presentation (Continued)**

When a foreign operation is partially disposed of or sold, exchange differences recorded in equity are recognised in the consolidated statement of profit or loss as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

**2.1.3 Consolidation and equity method accounting principles**

The consolidated financial statements include the accounts of the parent company, Doğan Holding, its Subsidiaries and its Joint Ventures (collectively referred as the “Group”) on the basis set out in sections (a) to (c) below. The financial statements of the companies included in the consolidation are based on historical cost of the statutory records and for the purpose of fair presentation in accordance with the accounting policies described in Note 2.1.1 and Note 2.1.2 and application of uniform accounting policies and presentations; adjustments and reclassifications. Financial statements of consolidated entities are restated in accordance with the TAS considering the accounting policies and presentation requirements applied by the Group.

**(a) Subsidiaries**

Subsidiaries comprise of the companies directly or indirectly controlled by Doğan Holding.

Control is achieved when the Group:

- Has power over the company/asset,
- Is exposed, or has rights, to variable returns from its involvement with the company/asset and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are indicators of a situation or an event that may cause any changes to at least one of the elements of control listed above.

When the Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in the relevant investee are sufficient to give it power, including:

- The size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders,
- Potential voting rights held by the Group, other vote holders or other parties,
- Rights arising from other contractual arrangements and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities (including voting patterns at previous shareholders’ meetings).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.1 Basis of Presentation (Continued)

Subsidiaries are consolidated by the date the Group takes the control and from the date the control is over, subsidiaries are excluded from the consolidation scope. Proportion of ownership interest represents the effective shareholding of the Group through the shares held by Doğan Holding and/or indirectly by its subsidiaries. In the consolidated financial statements, interests owned by Doğan family members are treated as non-controlling interests and excluded from net asset and profit of the Group.

Intercompany transactions and balances are eliminated on consolidation. The dividends arising from shares held by Doğan Holding in its subsidiaries are eliminated from equity and income for the period.

Subsidiaries acquired or disposed of during the accounting period are included in the consolidation from the date at which the control of operations are transferred to the Group and excluded from the consolidation when the control is lost. Even if non-controlling interests result in a deficit balance, total comprehensive income is attributed to the owners and to the non-controlling interests.

Income and expenses of a subsidiary, acquired or disposed of the during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

##### *Changes in ownership interests*

The group assesses transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their indirect interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in retained earnings within equity of Doğan Holding.

The table below sets out the proportion of voting power held by Doğan Holding, Doğan Family and its subsidiaries and effective ownership interests as of 31 December 2021 and 31 December 2020:

##### *Fuel Retail*

| Subsidiaries         | Proportion of voting power held by Doğan Holding and its subsidiaries (%) |                  | Proportion of voting power held by Doğan family members (%) |                  | Total proportion of voting power held (%) |                  | Proportion of effective ownership interest (%) |                  |
|----------------------|---|------------------|---|------------------|---|------------------|--|------------------|
|                      | 31 December 2021  | 31 December 2020 | 31 December 2021  | 31 December 2020 | 31 December 2021                          | 31 December 2020 | 31 December 2021                               | 31 December 2020 |
| Aytemiz Akaryakıt    | 50.00   | 50.00            | -   | -                | 50.00                                     | 50.00            | 50.00  | 50.00            |
| Aytemiz Petrolcülük  | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 50.00  | 50.00            |
| İstasyon Petrolcülük | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 50.00  | 50.00            |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.1 Basis of Presentation (Continued)

##### Electricity Production

| Subsidiaries               | Proportion of voting power held by Doğan Holding and its subsidiaries (%) |                  | Proportion of voting power held by Doğan family members (%) |                  | Total proportion of voting power held (%) |                  | Proportion of effective ownership interest (%) |                  |
|----------------------------|---|------------------|---|------------------|---|------------------|--|------------------|
|                            | 31 December 2021  | 31 December 2020 | 31 December 2021  | 31 December 2020 | 31 December 2021                          | 31 December 2020 | 31 December 2021                               | 31 December 2020 |
| Doğan Enerji               | -   | 100.00           | -   | -                | -   | 100.00           | -  | 100.00           |
| Galata Wind <sup>(2)</sup> | 73.05   | 100.00           | -   | -                | 73.05                                     | 100.00           | 73.05  | 100.00           |
| Sunflower <sup>(1)</sup>   | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 73.05  | 100.00           |

##### Industry and Trade

| Subsidiaries                           | Proportion of voting power held by Doğan Holding and its subsidiaries (%) |                  | Proportion of voting power held by Doğan family members (%) |                  | Total proportion of voting power held (%) |                  | Proportion of effective ownership interest (%) |                  |
|--|---|------------------|---|------------------|---|------------------|--|------------------|
|  | 31 December 2021  | 31 December 2020 | 31 December 2021  | 31 December 2020 | 31 December 2021                          | 31 December 2020 | 31 December 2021                               | 31 December 2020 |
| Çelik Halat <sup>(3)</sup>             | 69.83   | 70.35            | -   | -                | 69.83                                     | 70.35            | 69.83  | 70.35            |
| Çelik Halat Netherlands <sup>(3)</sup> | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 69.83  | 70.35            |
| Ditaş Doğan <sup>(4)</sup>             | 68.24   | 68.90            | -   | -                | 68.24                                     | 68.90            | 68.24  | 68.90            |
| Ditaş America <sup>(5)</sup>           | -   | 100.00           | -   | -                | -   | 100.00           | -  | 68.90            |
| D Stroy <sup>(6)</sup>                 | -   | 100.00           | -   | -                | -   | 100.00           | -  | 68.90            |
| Profil Sanayi <sup>(7)</sup>           | 70.00   | -                | -   | -                | 70.00                                     | -                | 47.77  | -                |
| 3S Kalıp <sup>(7)</sup>                | 70.00   | -                | -   | -                | 70.00                                     | -                | 47.77  | -                |
| Profilsan GmbH <sup>(7)</sup>          | 100.00  | -                | -   | -                | 100.00                                    | -                | 47.77  | -                |
| Doğan Dış Ticaret                      | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| Falcon                                 | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| Neta Yönetim                           | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| Kelkit Doğan Besi                      | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| Sesa Yatırım                           | 70.00   | 70.00            | -   | -                | 70.00                                     | 70.00            | 70.00  | 70.00            |
| Sesa Ambalaj                           | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 70.00  | 70.00            |

##### Automotive Trade and Marketing

| Subsidiaries         | Proportion of voting power held by Doğan Holding and its subsidiaries (%) |                  | Proportion of voting power held by Doğan family members (%) |                  | Total proportion of voting power held (%) |                  | Proportion of effective ownership interest (%) |                  |
|----------------------|---|------------------|---|------------------|---|------------------|--|------------------|
|                      | 31 December 2021  | 31 December 2020 | 31 December 2021  | 31 December 2020 | 31 December 2021                          | 31 December 2020 | 31 December 2021                               | 31 December 2020 |
| Suzuki               | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| Doğan Trend Otomotiv | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |

- (1) The merger transaction of the related subsidiaries of Doğan Holding through the acquisition in a simplified method was approved by the Capital Markets Board ("CMB") on 31 December 2020, this transaction was registered on 2 March 2021 by the Istanbul Trade Registry Office, and these subsidiaries were dissolved and merged within Doğan Holding.
- (2) Proportion of effective ownership interest changed due to the Galata Wind's public offering transaction performed on 15 - 16 April 2021.
- (3) Proportion of effective ownership interest of the related subsidiaries changed due to the sale of publicly traded shares directly owned by Doğan Holding.
- (4) Proportion of effective ownership interest of the related subsidiaries changed due to the sale of publicly traded shares directly owned by Doğan Holding.
- (5) The related subsidiary was liquidated and terminated on 7 May 2021.
- (6) The related subsidiary was liquidated and terminated on 16 June 2021.
- (7) The related companies were purchased by our subsidiary, Ditaş Doğan, and the acquisition was approved at the Competition Board meeting on 25 November 2021.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

#### 2.1 Basis of Presentation (Continued)

##### Financing and Investment

| Subsidiaries                       | Proportion of voting power held by Doğan Holding and its subsidiaries (%) |                  | Proportion of voting power held by Doğan family members (%) |                  | Total proportion of voting power held (%) |                  | Proportion of effective ownership interest (%) |                  |
|------------------------------------|---|------------------|---|------------------|---|------------------|--|------------------|
|                                    | 31 December 2021  | 31 December 2020 | 31 December 2021  | 31 December 2020 | 31 December 2021                          | 31 December 2020 | 31 December 2021                               | 31 December 2020 |
| Öncü Girişim                       | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| D Yatırım Bankası                  | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| Doğan Trend Sigorta <sup>(8)</sup> | 91.45   | -                | -   | -                | 91.45                                     | -                | 91.45  | -                |
| Doruk Faktoring                    | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| Doruk Finansman                    | 97.02   | 97.02            | 2.98  | 2.98             | 100.00                                    | 100.00           | 97.02  | 97.02            |
| İlke Turistik <sup>(9)</sup>       | -   | 100.00           | -   | -                | -   | 100.00           | -  | 100.00           |
| DHI Investment                     | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| Değer Merkezi                      | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |

##### Internet and Entertainment

| Subsidiaries                     | Proportion of voting power held by Doğan Holding and its subsidiaries (%) |                  | Proportion of voting power held by Doğan family members (%) |                  | Total proportion of voting power held (%) |                  | Proportion of effective ownership interest (%) |                  |
|----------------------------------|---|------------------|---|------------------|---|------------------|--|------------------|
|                                  | 31 December 2021  | 31 December 2020 | 31 December 2021  | 31 December 2020 | 31 December 2021                          | 31 December 2020 | 31 December 2021                               | 31 December 2020 |
| Glokal                           | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 79.22  | 79.22            |
| Kanal D Romanya                  | 100.00  | 99.99            | -   | -                | 100.00                                    | 99.99            | 100.00   | 99.99            |
| Rapsodi Radyo                    | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| DMC Invest                       | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| Dogan Media Invest               | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| Glocal Invest                    | 79.22   | 79.22            | -   | -                | 79.22                                     | 79.22            | 79.22  | 79.22            |
| DG Invest                        | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| İnnobil <sup>(10)</sup>          | 100.00  | 85.00            | -   | -                | 100.00                                    | 85.00            | 79.22  | 67.34            |
| Doğan Yayıncılık <sup>(11)</sup> | 100.00  | 50.00            | -   | -                | 100.00                                    | 50.00            | 100.00   | 50.00            |

##### Real Estate Investments

| Subsidiaries     | Proportion of voting power held by Doğan Holding and its subsidiaries (%) |                  | Proportion of voting power held by Doğan family members (%) |                  | Total proportion of voting power held (%) |                  | Proportion of effective ownership interest (%) |                  |
|------------------|---|------------------|---|------------------|---|------------------|--|------------------|
|                  | 31 December 2021  | 31 December 2020 | 31 December 2021  | 31 December 2020 | 31 December 2021                          | 31 December 2020 | 31 December 2021                               | 31 December 2020 |
| Milpa            | 82.29   | 82.29            | 0.16  | 0.16             | 82.45                                     | 82.45            | 82.29  | 82.29            |
| D Gayrimenkul    | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| D-Yapı Romanya   | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| Milta Turizm     | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| Marlin Otelcilik | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |
| M Investment     | 100.00  | 100.00           | -   | -                | 100.00                                    | 100.00           | 100.00   | 100.00           |

(8) The establishment of the relevant subsidiary was registered on 29 September 2021.

(9) The merger transaction of the related subsidiaries of Doğan Holding through the acquisition in a simplified method was approved by the Capital Markets Board ("CMB") on 31 December 2020, this transaction was registered on 2 March 2021 by the Istanbul Trade Registry Office, and these subsidiaries were dissolved and merged within Doğan Holding.

(10) The proportion of effective ownership interest of the related subsidiary changed due to the share purchase.

(11) As of 16 February 2021, while in the "Joint Venture" position, it was decided to take over the shares corresponding to 50% of the capital and voting rights of the relevant subsidiary, and to be controlled by the Group.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of Presentation (Continued)**

**(b) Non-Controlling Interests**

Non-controlling interests of shareholders over the net assets and operational results of subsidiaries are classified as non-controlling interest and non-controlling profit/loss in the consolidated statement of financial position and consolidated statement of income.

**(c) Joint Ventures**

According to TFRS-11 Joint Agreements, investments under joint agreements are classified as joint activities or joint ventures. The classification is based on contractual rights and obligations of all investors, rather than the legal structure of the joint agreement. An investment is accounted for by equity method from the date at which invested company qualified as an associate or joint venture. In acquisition of the investment, all differences between the acquisition value of the investment and the company's share of the net fair value of identifiable net assets, liabilities and contingent liabilities of the affiliate or the joint venture, are included in the book value of affiliate investment. The portion of the amount that the company's share from the net fair value of the identifiable assets and liabilities of the affiliate or the joint venture, and that exceeds the acquisition value of the investment, is added to the income in determining the amount of the company's share from the profit or loss of the affiliate or joint venture in the period that the investment is obtained.

*Joint Ventures*

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

**2.1.4 Offsetting**

Financial assets and liabilities are offset and the net amount is reported when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

**2.1.5 Comparative information and restatement of prior period financial statements**

The consolidated financial statements of the Group are prepared comparatively with the previous period to identify the financial position and performance trends. The Group presents comparatively its consolidated statement of financial position as of 31 December 2021 with 31 December 2020 consolidated statement of profit or loss and consolidated other comprehensive income, consolidated statement of cash flow and consolidated statement of changes in equity for the period ended 1 January - 31 December 2021, are presented comparatively with the consolidated financial statements as of the period 1 January - 31 December 2020.

In the current period, in case of a necessity, prior period financial statements are reclassified in order to comply with the presentation of its current period consolidated financial statements and significant changes are explained.

In order to comply with the consolidated profit or loss statement for the accounting period of 1 January - 31 December 2021, the carbon emission certificate right sales income amounting to TRY2,794, classified under "Other operating income" in the consolidated profit or loss statement for the accounting period of 1 January - 31 December 2020 reclassified to "Revenue" item in the relevant period.

Factoring and financing loan receivables amounting to TRY754,149, classified under "Trade receivables" in the consolidated statement of financial position for the accounting period of 1 January - 31 December 2020, in order to comply with the consolidated statement of financial position for the accounting period of 1 January - 31 December 2021, are referred to as "Receivables from finance sector operations".

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of Presentation (Continued)**

Demand Turkish Lira deposit payables amounting to TRY4,590 classified under "Trade payables" in the consolidated statement of financial position for the accounting period of 1 January - 31 December 2020, in order to comply with the consolidated statement of financial position for the accounting period of 1 January - 31 December 2021, "Finance payables" in the relevant period. are classified under the item "Payables from the activities of the sector".

Interest, fee and commission income amounting to TRY145,883 classified under "Revenue" in the consolidated profit or loss statement for the accounting period 1 January - 31 December 2020, in order to comply with the consolidated profit or loss statement for the 1 January - 31 December 2021 accounting period, It is classified under the item "Revenue from financial sector activities".

Expenses amounting to TRY59,862 classified under "Cost of sales" in the consolidated profit or loss statement for the accounting period 1 January - 31 December 2020, in order to comply with the consolidated profit or loss statement for the accounting period 1 January - 31 December 2021, are included in the "Financial sector activities" in the relevant period. classified under "Cost of sales".

**2.1.6 Significant accounting policies and changes in accounting estimates and errors and restatement of prior period financial statements**

Changes of accounting policies resulting from the first time implementation of the TAS are implemented retrospectively or prospectively in accordance with the transition provisions. Major accounting mistakes detected are applied retrospectively and the financial statements of previous period are revised. If the changes in accounting estimates only apply to one period, then they are applied in the current period when the change occurs; if the changes apply also to the future periods, they are applied in both the period of change and in the future period.

**2.1.7 New and revised Turkish Financial Reporting Standards ("TFRS")**

In the current period there is no such standard or interpretation affecting the Group's financial performance, statement of financial position, presentation or note disclosures. However, the details of standards and interpretations effective in the current period but have no effect on the consolidated financial statements and standards and interpretations not yet effective and have not been early adopted by the Group are set out below.

- a) **New standards applicable as of 31 December 2021 and amendments to existing previous standards and interpretations:**
- **Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2;** Effective for annual reporting periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
  - **Amendments to TFRS 4 "Insurance Contracts" - deferral of TFRS 9;** Effective from annual periods beginning on or after 1 January 2023. These amendments defer the date of application of TFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial instrument until 1 January 2023.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of Presentation (Continued)**

**b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2021:**

- **Amendment to TFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the Practical expedient;** As of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to TFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- **TFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
- **Amendments to TAS 1, 'Presentation of financial statements' on classification of liabilities;** Effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to TAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the 'settlement' of a liability.
- **A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;** Effective from Annual periods beginning on or after 1 January 2022.
  - **Amendments to TFRS 3, 'Business combinations'** update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **Amendments to TAS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - **Amendments to TAS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss-making.
  - Annual improvements make minor amendments to TFRS 1, 'First-time Adoption of TFRS', TFRS 9, 'Financial instruments', TAS 41, 'Agriculture' and the Illustrative Examples accompanying TFRS 16, 'Leases'.
- **Narrow scope amendments to TAS 1, Practice statement 2 and TAS 8;** Effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of Presentation (Continued)**

- **Amendment to TAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

The Group has not determined the effects that may occur in the consolidated financial statements as a result of the application of the aforementioned standards but has not anticipated that these differences will have a significant impact on the consolidated financial statements.

**2.1.8 US Dollar convenience translation**

US Dollar (“USD”) amounts presented in the consolidated financial statements have been included solely for the convenience of the reader and are translated from Turkish Lira (“TRY”), as a matter of arithmetic computation only, at the Central Bank of the Republic of Turkey official TRY exchange rate of TRY12.9775 = USD1.00 as of 31 December 2021. Thus, USD amounts do not form a part of the consolidated financial statements prepared in accordance with the generally accepted accounting standards issued by the CMB. Such translations should not be construed as a representation that the TRY amounts have been or could be converted into USD at this or any other rate.

**2.2 Summary of Significant Accounting Policies**

**Related parties**

Related parties are people or entities that are related to the entity (reporting entity) that is preparing its financial statements.

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:
  - (i) Has control or joint control over the reporting entity,
  - (ii) Has significant influence over the reporting entity or
  - (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions apply:
  - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

Under the guidance of the explanations mentioned above and also in compliance with TAS 24, Doğan Şirketler Grubu Holding A.Ş. directly or indirectly has participation, including any entities under common control; real persons and/or legal entities that have direct or indirect individual or joint control over the company and their close family members (relatives up to second-degree) and legal entities having direct or indirect individual or joint control by them and legal entities having significant effect over the Company or their key management personnel; Company’s subsidiaries and members of the Board of Directors, key management personnel and their close family members (relatives up to second-degree) and real persons and/or legal entities that are directly or indirectly controlled individually or jointly (Note 35).

##### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments without a significant risk over the change in their value, whose maturity at the time of purchase is three months or less (Note 6).

##### Sales and repurchase agreements

Funds given in return for financial assets purchase with the requirement of selling back (“Reverse repo”) are recognized as reverse repurchase agreements at consolidated financial statements (Note 6). Income discount is calculated for the difference between the buying and selling prices, determined with aforementioned reverse repo agreements, accrued for the period according to internal discount rate method and recognized by the adding to the cost of reverse repos. Funds provided in return for financial assets reverse repurchase are recognized under cash and cash equivalents in the consolidated financial statements.

##### Trade receivables and provision for doubtful receivables

The Group’s trade receivables from providing goods or services to customers are carried at net of unrealized finance income (“unrealized financial income due to sales with maturity”). Trade receivables, net of unrealized finance income, are calculated by discounting future cash inflows of receivables carried at the original invoice amount using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Effective interest method is calculating the present value in accordance with the compound interest basis. The rate determined by compound interest basis and applied in this method is named “effective interest rate”. Short term receivables with indefinite interest rate are carried at cost unless the effect of imputing interest is significant (Note 9).

When calculating the impairment of trade receivables, which are recognised based on the cost amortised in financial statements and do not include an important financing component, Group preferred to adopt “simplified approach” in TFRS 9 standard.

According to “simplified approach” of TFRS 9 Standard, loss provisions concerning trade receivables are calculated equal to “lifetime expected credit loss” if trade receivables are not impaired due to valid reasons as stated in TFRS 9.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

TAS 39, “Financial Instruments” valid before 1 January 2018: Instead of “realised credit losses model” in Accounting and Measurement Standard, “expected credit loss model” was defined in TFRS 9 “Financial Instruments” Standard. Expected credit loss is estimated by weighting credit losses, expected to occur throughout the expected life of financial instruments, based on previous statistics. When calculating the expected credit losses, credit losses in the previous years and forecasts of the Group are considered.

The Group decides to allocate provision for doubtful receivables, whose payment was not made within the ordinary commercial activity cycle of the Group, considering whether the trade receivable is subject to administrative and/or legal proceeding, whether or not they have a guarantee and there is an objective finding. The amount of such provision is the difference between the book value of the receivable and the collectible amount. The collectible amount is the current value of the expected cash flow, including the amounts to be collected from guarantees and collaterals, which is discounted based on the original effective interest rate of the initial receivable.

When trade receivables are not impaired for certain reasons along with realised impairment losses, Group recognises expected credit loss provision equal to lifetime expected credit loss for trade receivables as per TFRS 9. Expected credit loss is calculated by expected credit loss rates determined based on previous credit loss experiences of the Group and prospective macroeconomic indicators. Changes in expected credit loss provisions are recognised under other income and expenses from operating activities (Note 28).

If there is a partial or whole collection over the doubtful receivable amount subsequent to the allocation of provision for doubtful receivables, the collected portion is recognized as other income from operating activities following the write-down of the total provision amount (Note 9, 29).

**Receivables from finance sector operations**

Financial assets generated as a result of lending money or providing a loan are classified as receivables from finance sector operations and are carried at amortised cost, less any impairment. All loans and advances are recognised in the consolidated financial statements when cash is transferred to customers (Note 10).

*Impairment*

Group has adopted “three stage approach (general model)” defined in TFRS 9 for the recognition of impairment losses on receivables from finance sector operations, carried at amortised cost or carried at fair value through other comprehensive income. General model considers the changes in the credit quality of the financial instruments after the initial recognition. Three stages defined in the general model are as follows:

“Stage 1”, includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses (“ECL”) are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date and represents the credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

“Stage 2”, includes financial instruments that have had a significant increase in credit risk since initial recognition but those do not have objective evidence of impairment. For these assets, lifetime expected credit losses are recognised and interest revenue is calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

“Stage 3”, includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognised.

Group appropriately classifies its financial instruments considering common risk factors (such as the type of the instrument, credit risk rating, guarantees, time to maturity and sector) to determine whether the credit risk on a financial instrument has increased significantly and to account appropriate amount of credit losses in the consolidated financial statements.

The changes in the expected credit losses on receivables from finance sector operations are accounted for under “other operating income/expenses” account of the consolidated statement of income. (Note 29).

**Inventories**

Inventories are valued at the lower of cost or estimated selling price less estimated costs necessary to make a sale (net realizable value). Cost elements included in inventory are purchasing costs and other costs necessary to prepare the asset for its intended use. Cost elements included in inventories are materials, labor and production overheads. The unit cost of inventories is determined on the moving weighted average basis (Note 12).

When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in the consolidated statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of the changing economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the initial impairment.

**Financial Assets**

Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

*(a) Financial assets carried at amortized cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group’s financial assets carried at amortized cost comprise “trade receivables”, “other receivables” and “cash and cash equivalents” in the statement of financial position. In addition, with recourse factoring receivables classified in trade receivables are classified as financial assets carried at amortized cost since collection risk for those receivables are not transferred to counterparty.

*Impairment*

Group has applied simplified approach and used impairment matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component. In accordance with this method, if any provision is not provided to the trade receivables as a result of a specific event, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Group and its expectation based on the macroeconomic indications.

*(b) Financial assets carried at fair value*

Assets that are held by the management for collection of contractual cash flows and for selling the financial assets are measured at their fair value. If the management do not plan to dispose these assets in 12 months after the statement of consolidated financial position, they are classified as non-current assets. Group makes a choice that cannot be changed later for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss:

*i) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss consist of “derivative instruments” in consolidated statement of financial position and “financial asset”, which are acquired to benefit from short-term price or other fluctuations in the market or which are a part of a portfolio aiming to earn profit in the short-run, irrespective of the reason of acquisition, and kept for trading purposes. Derivative instruments are recognised as asset if their fair value is positive and as liability if their fair value is negative. Group’s derivative instruments consist of transactions concerning future contracts and transactions related to commodity contracts. Financial assets that are measured by their fair value and associated with the profit or loss statement are initially reflected on the consolidated statement of financial position with their costs including the transaction cost. These financial assets are valued based on their fair value after they are recognised. Realised or unrealised profit and losses are recognised under “financing income/(expense)”. Dividends are recognised as dividend income in consolidated profit or loss statement. Financial assets including the derivative products not determined as hedging instruments are classified as financial assets whose fair value difference is reflected as profit or loss (Note 23).



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

*ii) Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income consist of equities and certain debt securities held by the Group and listed in a stock exchange of an active market and they are recognised under “financial investments” in consolidated statement of financial position. Impairment in these assets, which are recognised with their fair value, and unrealised profit or loss, which arise from changes other than changes in profit or loss concerning exchange rate differences in interest and monetary assets calculated by efficient interest method are tracked under consolidated other comprehensive income statement and under financial asset shall be recognized in equity, through the investment revaluation reserve until the financial asset is removed from consolidated financial statements. If the assets whose fair value difference is recognised under consolidated other comprehensive income statement are sold, valuation differences classified under consolidated other comprehensive income statement are classified under “Retained Earnings/(Losses)”

**Derivative financial instruments and hedge accounting**

Derivative financial instruments, predominantly foreign currency and interest swap agreements, commodity exchange contracts and foreign currency forward agreements are comprised. Derivative financial instruments are subsequently remeasured at their fair value. Fair values of derivative financial instruments are obtained from quoted market prices or discounted cash flow models as appropriate. Based on positive or negative fair value, derivative financial instruments are carried as assets or liabilities in the statement of financial position respectively (Note 23).

In the case of future cash flows being subject to cash flow hedges and related transactions being effective, the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in equity directly whereas the ineffective portion is recognized immediately in the statement of profit or loss.

If the cash flow hedge of a firm commitment or an expected forward transaction result in the recognition of an asset or liability, at the initial recognition of this asset or liability the gain or loss previously recognized under equity related to derivatives is included in the measurement of the initial amount of the asset or liability. In a hedge accounting that does not result in the recognition of an asset or a liability, the amounts previously recognized under equity are transferred to statement of profit or loss in the period in which the hedged item has an effect on profit or loss. The changes in the fair value of derivatives that do not meet the criteria for hedge accounting are recognized in the statement of profit or loss.

The Group utilizes foreign exchange derivatives to protect future significant transactions and cash flows from financial risk. Group has signed various forward exchange contracts, commodity contracts and option contracts regarding the management of fluctuations in exchange rates and fuel prices. The derivative instruments purchased are mainly denominated in foreign currencies in which the Group operates.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in equity remains in equity until the forecast transaction or firm commitment affects profit or loss. If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or losses previously recognized in equity are transferred to the profit/(loss) statement.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

###### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. As of the date of the report, the properties held for a currently undetermined future use by the Group management, have been classified as investment properties.

Subsequent to initial recognition, at the end of each year when there is an indication of impairment, in accordance with the appraisal reports obtained from licensed real estate appraisal organizations under the Capital Market Legislation, investment properties are stated at fair value which reflects the market conditions as of the statement of financial position date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated profit or loss in the period in which they arise. Deferred tax (liability)/asset has been calculated from all the temporary differences from investment properties.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in consolidated profit or loss in the period in which the property is derecognized.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The difference between cost value and fair value at the date of the change is recognized as revaluation fund in consolidated statement of other comprehensive income (Note 14).

###### Property, plant and equipment

Property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses (Note 15). Depreciation is provided on property, plant and equipment on a straight-line basis (except land). Lands are not subject to depreciation due to their unlimited useful life. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

|   | <u>Years</u> |
|---|--------------|
| Land improvements                           | 5 - 50       |
| Buildings                                   | 10 - 50      |
| Machinery and equipment                     | 2 - 30       |
| Motor vehicles                              | 2 - 20       |
| Furniture and fixtures                      | 2 - 15       |
| Development costs of leased tangible assets | 2 - 39       |
| Other tangible assets                       | 2 - 50       |
| Leasehold improvements                      | 2 - 25       |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

##### 2.2 Summary of Significant Accounting Policies (Continued)

Expected useful life, residual value and depreciation method are reviewed annually for possible effects of changes in estimates and are recognized prospectively if there is a change in estimates.

An item of property, plant and equipment is derecognized in the consolidated statement of financial position upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized as income or expenses from investing activities in consolidated profit or loss.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount provided to allocate provision. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus the residual value of the related assets as of the consolidated statement of financial position date.

Repair and maintenance expenses are charged to the consolidated statement of profit or loss as they are incurred. Capital expenditures that increase the present value of the future cash flows expected to be derived from property, plant and equipment by increasing its capacity is added to the cost of tangible fixed asset.

Gain and losses regarding sale of property, plant and equipment are accounted as other income and expenses from investing activities.

##### Intangible assets and related amortization

Intangible assets excluding goodwill and assets with infinite useful lives comprise of terrestrial broadcasting permissions and licenses (frequency rights), other identified rights and computer software.

Prepaid dealer agreement amounts have been recognized under intangible assets within the context of dealer agreements made with certain fuel oil and LPG dealers to guarantee product sales by Aytemiz Akaryakıt and the duration of these dealer agreements is 5 years.

Intangible assets with estimated useful life are accounted for at acquisition costs and amortized on a straight-line method (Note 16).

Estimated useful lives of intangible assets are as follows:

|                                 | <u>Years</u> |
|---------------------------------|--------------|
| Electricity production licences | 45 - 47      |
| Trade names                     | 15 - 25      |
| Computer software and rights    | 3 - 15       |
| Dealer agreements               | 5            |
| Customer relations              | 15           |
| Other intangible rights         | 5 - 49       |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

Intangible assets with estimated useful lives are tested to determine whether there is an indication that the intangible assets may be impaired and if the carrying value of the intangible asset is higher than the recoverable amount, the carrying value of the intangible asset is written down to its recoverable amount provided to allocate provision. The amount recoverable from an intangible asset is either the discounted net cash flows generated from the use of that intangible asset or the net sales value of that intangible asset depending whether the former or the latter being higher. Provision for impairment is recognised under the statement of profit or loss in the related period.

Marina utilization right which is held by the Group’s subsidiary Milta Turizm and classified in other intangible rights, is being amortized for a period of 49 years regarding the transfer agreement on 13 November 1997 with the Privatization Administration (Note 16).

**Development costs**

Development costs for the design and testing of detectable and unique products controlled by the Group are recognized as intangible assets when the following conditions are met:

- It is technically possible to complete the product to be ready for use,
- Management intends to complete and use or sell the product,
- Possibility to use and sell the product,
- Certainty on how the product is likely to provide future economic benefits,
- Availability of sufficient technical, financial and other resources to complete the development phase and to use or sell the product and
- Reliable measurement of expenses related to the product during the development process.

Capitalized development costs are recognized as intangible assets and are amortized beginning from the date the asset is ready for use.

**Broadcasting programme rights**

Television programme rights are initially recognised at acquisition cost of the license when the Group controls, in substance, the respective assets and the risks and rewards attached to them. Television programme rights are evaluated to determine if expected revenue is sufficient to cover the unconsumed portion of the program. To the extent that expected revenue is insufficient, the programme rights are written down to their net realizable value (Note 16).

**Impairment of assets excluding goodwill and intangible assets with infinite useful lives**

At each statement of financial position date, the Group evaluates whether there are any indications that an asset other than goodwill or infinite life intangible assets may be impaired. When an indication of impairment exists, carrying value of the assets is compared with the net realizable value which is the higher of value in use and fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment exists if the carrying value of an asset or a cash generating unit including that asset is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Impairment losses are recognized in the consolidated statement of profit or loss (Note 16).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

**Taxation**

Taxation on income includes current period income taxes and deferred taxes. Current year tax liability consists of tax liability on period income calculated according to currently enacted tax rates and tax legislation in force as of statement of financial position date and includes adjustments related to the previous year’s tax liabilities. Turkish tax legislation does not permit a parent company to file a consolidated tax return for its subsidiary and its joint venture. Therefore, tax provisions, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Deferred income tax is provided, using the liability method, on temporary differences arising between the statutory tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities (Note 33).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxation authority (Note 33).

**Current and deferred tax**

Tax is included in the statement of profit or loss, unless it is related to an operation that is accounted directly under equity. Otherwise, tax is accounted under equity as well as the related transaction (Note 33).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

**Repurchased shares**

The Group's redeemed shares (repurchased own shares) are not considered as a separate financial asset as a financial instrument based on the Group's equity, regardless of any reason. In the case of repurchase of financial instruments based on equity, the Company recognizes such instruments by deducting them from equity, in accordance with the related legal regulations, legal reserves are allocated over the acquisition cost equal to the share amount received and the legal reserves are accounted under "restricted reserves" account under shareholders' equity (Note 25).

**Financial borrowings and borrowing costs**

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in the profit or loss as finance expense over the period of the borrowings (Note 8). The borrowing costs which are directly related with the acquisition, manufacturing or production of a specialty good (means that a long period of time is required to make available for sale and use as purposed) are capitalized as a part of the related asset.

**Employment termination benefits**

The provision for employment termination benefit represents the present value of the estimated total reserves of the future probable liability of the Group arising from the retirement of the employees measured in accordance with the Turkish Labour and Press Labour Laws (Note 24).

According to the amendment in TAS 19, the Group calculated employment benefit in accordance with the report prepared by the actuarial firm and recognised all actuarial loss and gains in the other comprehensive statement of profit or loss as of the statement of financial position date.

**Provisions, contingent assets and liabilities**

Provisions are recognized when the Group has a present legal or constructive obligation or a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are assessed continually to determine whether an outflow of resources comprising economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously treated as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs except in the extremely rare circumstances where no reliable estimate can be made.

If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised by the Group in the financial statements of the period in which the change occurs.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and are treated as contingent assets or liabilities. A contingent asset is disclosed where an inflow of economic benefit is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably (Note 19).

**Share capital and dividends**

Ordinary shares are classified as equity. Dividend income is recognized as income by the Group when right to obtain of dividend is generated in the consolidated financial statements. Dividend distribution to the Company’s shareholders is recognized as a liability in the Group’s consolidated financial statements in the period in which the dividends are approved by the General Assembly (Note 25).

**Revenue recognition**

When the Group meets its performance obligation by transferring a product or service that is committed before, the revenue is recognised in consolidated financial statements. When the the client takes over the control of an asset, the asset is deemed transferred.

The Company transfers the revenue to the financial statements based on the following five principles:

- Determining client agreements,
- Determining performance obligations in agreements,
- Determining transaction price in agreements,
- Distributing transaction price to performance obligations in agreements,
- Recognising the revenue as each performance obligation is met.

If all the below-mentioned conditions are met, Group recognises an agreement made with the client as revenue:

- Parties to the agreement approved the agreement (in writing, orally or in other means in line with commercial practices) and committed to meet their respective obligations,
- Group can define the rights of each party concerning the goods or services to be transferred,
- Group can define payment conditions concerning the goods or services to be transferred,
- The agreement is commercial in essence.
- It is possible that the Group will collect money in return for goods and services to be transferred to the client.

When determining whether the money can be collected, Group only considers its client’s ability and intention to pay the money in time.

At the beginning of the agreement, Group evaluates the goods or services committed to the client in the agreement and defines each commitment to transfer goods or services as performance obligation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

At the beginning of the agreement, Group evaluates the goods or services committed to the client in the agreement and defines each commitment to transfer goods or services as performance obligation as follows:

- a) Different goods or service (goods or service packages) or
- b) A group of different goods or services which are similar in a great extent and transferred to the client with the same method.

A group of different goods or services are subject to the same transfer method if the below conditions are met:

- a) Each different product or service that the Group committed to transfer to the client must meet required conditions and constitute a performance obligation to be met in time and
- b) As per the relevant paragraph of the standard, using the same method to measure the progress of the Group in meeting its obligation to transfer each product or service included in the group to the client.

Group sells different products and services as a package and also can sell them separately. Each product and service which are determined through agreement and Group transferred to its clients in a package are described as different goods and services. Additionally, because clients can benefit from these services separately, these services can be described independently from other commitments in the agreement. Based on this, each service in a package is recognised as a separate performance.

If a third party is involved in the process where goods or services are provided to client, when the Group determines its performance liability it assess whether its commitment is about providing (primary) the good or service by itself or mediating (agent) the sale of the goods or services provided by other parties. According to this, if the Group checks the goods or services before delivering them to client, the Group is in the primary position related to sale of good or services. When (or as long as) the Group meets its performance liability, it recognises the revenue equal to gross amount of price, which it expects to earn in return for transferred goods or services, in the consolidated financial statements. If the Group mediates the process where other parties provide the goods and services, it is in the agent position and cannot include the revenue for the performance liability in the consolidated financial statements.

Group takes into account agreement provisions and commercial customs in order to determine transaction price. Transaction price is the price, which the Group expects to deserve in return for goods and services Group committed to provide to client, excluding amounts (e.g. some sales taxes) collected on behalf of third parties. A committed price in an agreement with a client can include both the fixed amounts and variable amounts. There are variable amounts because the agreements Group made with clients have scores from turnover-based discounts, returns and customer loyalty programs. If the price the Group commits in the agreement is variable, the Group determines the price it deserves in return for goods and services committed to client through estimation. For the Group to include some or all of cancellation in cumulative revenue in the financial statements when the uncertainty about variable price is eliminated. When assessing whether or not there will be an important cancellation in cumulative revenue in the financial statements when the uncertainty about variable price is eliminated, the Group must take into account both realisation possibility and impact of revenue cancellation.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

In assessing whether it is highly probable that there will be no significant cancellation in the amount of cumulative revenue recognized in the consolidated financial statements when the uncertainty regarding the variable price disappears later, the Group considers both the likelihood and the magnitude of the revenue reversal.

If a company offers its client in an agreement a choice to receive additional good or services, this choice leads to a performance liability if the choice gives the client a tangible right that client cannot use as long as the client does not sign the agreement as a party. If the choice gives client a tangible right, the client makes prepayment to the company for the goods and service it will receive in the future. The company includes this revenue in the financial statements when these future goods and services are transferred or this choice expires.

If independent sale price related to client’s choice to receive additional good or service cannot be observed, the company determines this through estimation. If client chooses to receive good or service, this estimation reflects the discount the client will get based on the followings:

- (a) Discount if the client does not choose to receive good or service,
- (b) Possibility of using the choice.

After receiving pre-payment from client, the company includes an agreement liability equal to pre-payment in return for performance liability related to transferring goods or services in the future or making them ready to be transferred. When the company completes transfer of goods or services and therefore meets its performance liability, it removes this agreement liability from financial statements (and the revenue is included in the financial statements).

Because the awards related to “Vendor Loyalty Project”, which the Group applies for sales transactions with vendors and end-sellers, and card loyalty programs (Aytemiz card etc.) the Group provides to its clients give clients a tangible right that client cannot use as long as it does not sign the agreement as a party, the amounts the relevant client earns are recognised as agreement liability in the consolidated financial statements. When these awards from “Vendor Loyalty Project” are used, they are recognised by deducting from gross revenue in the financial statement by deducting from agreement liability.

When the Group expects to collect a price and accepts to pay some or all of this price back to client, it includes the return liability in the financial statements. Return liability is measured based on the collected (or receivable) price (in other words, amounts which are not included in the transaction price) the company does not expect to deserve. Return liability (change in the transaction price and agreement liability) is updated at the end of every reporting period by considering the changes in the conditions.

The Group includes the following things in the financial statement in order to recognise the transfer transaction of products which can be returned (along with some delivered services, on condition with being subject to return):

- (a) Revenue in return for products transferred at the value which the company expects to deserve (therefore the revenue related to product that are expected to be returned is not included in the financial statements),
- (b) A return liability and
- (c) An asset in return for a right to get the products back from client after the company meets its return liability (based on this, an adjustment in sales cost).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

An asset, recorded in financial statements in scope of the right to take the products back from the client to carry out refund liability, should be evaluated considering the resulting amount after the costs (including the potential decrease of value of the returned product from the perspective of the business) to be made in scope of taking back these products at previous book value (if available). The group updates its refund liability measure in a manner that it reflects the changes in the expected refund amounts and reflects the necessary adjustments in consolidated financial statements as revenue (or discounts from revenue).

A good or service's contractually specified price is its independent sale price. If there is more than one good or service to transfer in the contract, the Group allocates the transaction price to each performance liability (or different good or service) in an amount that shows the amount which the client expects to have a right to in return for transfer of the goods or services committed to the client. To reach its distribution target, the Group allocates the transaction price to each performance liability specified in the contract at a proportional independent sale price. To allocate the transaction price to each performance liability on a basis of a proportionate individual sale price, the Group determines the individual sale price of different goods or services that make up the basis of each performance liability in the contract at the beginning date of the contract and allocates transaction price in proportion to these individual sale prices.

When a party carries out the contract, the Group reflects the contract as a contract asset or contractual liability in the statement of financial position, depending on the relationship between the business performance and client payment. The Group records its unconditional rights related to the price as a receivable.

If the sum of sale prices of the individual goods and services committed in the contract exceeds the amount committed for them in the contract, it means that the client received a discount in return for purchasing goods or a service package. Except for the cases where there are observable indications that the discount is related to one or a few of the performance liabilities regulated in the contract and not all of them, the Group allocates the discount directly proportional to all performance liabilities.

**Fuel sale income**

Fuel sale income is the amount remaining when the Group has deducted estimated client refunds, discounts and provisions from fuel sales that it has carried out through dealerships or from its own stations. The revenue gained through fuel sales is recognised at a specific point in time in case control concerning the property is transferred to the client, the income amount is reliably calculated, it is possible that economic benefits concerning the transaction flows to the business and the costs arising out of the transaction may be reliably calculated.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

**Industry, trade and packaging income**

The Group’s industrial income is made up of income that the Group gets through the activities of its subsidiaries Çelik Halat and Ditaş Doğan. This income gained through product sales is recognised when the client takes over the control of the committed asset, “at a specific point in time”. Trade incomes of the Group are defined as merchandise sales and brokerage and commission income. The Group records the merchandise sales income at a specific time, when it transfers the control of the merchandise to the other party. Foreign trade incomes of the Group are recognized over time, at the time the service is completed. The Group’s packaging income is made up of income through the sale of food and cosmetic packages of Sesa Ambalaj. This income gained through product sales is recognised when the client takes over the control of the committed asset, “at a specific point in time”.

**Vehicle sales income**

The control after paying special consumption tax and issuing a registration for the sold vehicles is accepted to have been transferred to the client. It is recognised as income “at a specified moment in time” through reliable calculation of income amount.

Before the group transfers a good or a service to the client, if the said client pays the price or the business has an unconditional receivable on the price, it reflects the contract as a contractual liability on the date the payment is made or when the payment is due (whichever is earlier). Contract liability is the liability of the business to transfer goods or services to the client in return for the amount it has collected (or earned the right to collect). In cases where the customer does not pay the cost or the performance obligation is met by transferring the goods or services to the customer before the due date, the Group presents the contract as a contract asset except the amounts presented as receivable.

**Electricity sale revenues**

The group earns electric sales income through generating electricity from hydroelectric plants, solar electricity plants and wind energy plants and selling it. Since electricity is a service provided as a series that the client gets and consumes simultaneously, it is recognised as one performance, over time and through output method.

**Factoring income**

Interest and commissions arising from factoring transactions are reflected to the statement of profit or loss on an accrual basis depending on the duration of the factoring contracts.

**Financial income**

Interest income and expenses are recognized on an accrual basis. Interest income is deducted from the records as soon as the management decides that the loans and advances given to customers cannot be repaid, and the accruals recorded until that date are cancelled and not recorded as revenue until the collection is made.

## **DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

#### **NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

##### **2.2 Summary of Significant Accounting Policies (Continued)**

###### **Revenues from book and magazine sales**

It represents the proceeds from the book and magazine sales of Doğan Yayıncılık, a subsidiary of the Group. The revenues generated within this scope are accounted "at a certain moment of time" on the date of the shipping of the books and magazines.

###### **Real estate income**

The revenue gained from Milpa's (a subsidiary of the group) residence construction projects is realized "at a specific point in time" after the Group carries out all duties specified in the contract fully and the buyer confirms the delivery report and control arising from owning legally an asset are transferred to the buyer of the property.

In addition to this the related income consists of Group's subsidiary Milta's Marina income. Marina income is consisted of accommodation of sea vehicles and store rent incomes. The said rent income is recorded during the rent contracts over time and based on the output method.

###### **Rent income**

The rent income gained from real estates is recognised throughout the relevant rent agreement, over time and with output method.

###### **Administration consultancy income**

The related income is made up of consultancy. Throughout the related consultancy projects, the accounting is performed according to the "over time" and "output" method.

###### **Advertisement revenue**

The Group's advertisement income is made up of income gained from the advertisements that were published on written, visual and digital media. If the client simultaneously gets the benefits of performance as the advertisement is published and consumes it, that means the Group has transferred the service's control over time. Therefore, as performance liability is carried out (as the advertisement is published), revenue is recognised over time and depending on the output method. The unpublished portion of the ads are recognised in the financial statement as contractual liability.

###### **Revenues from circulation and magazine sales**

Circulation revenues consist of revenues from mass sales. Revenues generated within the scope of this service are accounted "at a certain moment of time" on the date of the shipping of the magazines.

###### **Subscription and membership income**

Subscription and membership income includes revenues from real estate site, digital platform and internet subscriptions. The Group monitors the membership of real estate sites individually and institutionally.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

The Group may sell subscriptions and memberships by combining sold products and services in packages. (Example: Publishing a listing through a real estate site, highlighting service and mobile phone may be sold as a package.) Each product and service included in the package is recognised as a separate performance. For each performance, independent sale price is determined considering observable prices. When the control of the performance is passed over to the client, it is recorded as income. The clients can benefit from publishing listings and highlighting service simultaneously, so it is recognised "over time" and through "output" method. When the physical ownership of packaged products is transferred to the client, the income is recognised.

***Leases***

If a contract regulates the right to control the use of an asset that is defined in the contract for a certain period and for a specific price, this contract is considered as a lease in its nature or includes a lease transaction. At the beginning of a contract, the Group assesses whether the contract is a lease or include a lease transaction. The Group considers the following conditions when assessing whether or not a contract transfers the right to control the use of a defined asset for a specified period of time:

- a) The existence of a clearly or implicitly identifiable asset that constitutes the subject of the lease,
- b) The lessee has the right to obtain almost all of the economic benefits from the use of the defined asset that constitutes the subject of the lease,
- c) The lessee has the right to manage the use of the defined asset that constitutes the subject of the lease. According to circumstances listed below, the tenant is deemed to have the right to manage the defined asset constituting the subject of the lease;
  - i. The lessee has the right to operate the property for the duration of its use (or to direct others to operate the property in its own way) and the lessor does not have the right to change these operating instructions or
  - ii. Designing the asset (or certain features of the asset) in advance in a manner of how and for what purpose the asset will be used during its occupancy by the lessee.

In case that the contract fulfills these conditions, the Group reflects a right of use asset and a lease liability to the consolidated financial statements at the date of the lease's actual start.

***The right of use assets***

The right-of-use asset is initially recognized by the cost method and includes the followings:

- a) The first measurement amount of the lease liability to be recognized as the right of use asset,
- b) Deduction of all leasing incentives related to the lease, from the first measurement amount of the lease liability recorded as a right of use asset,
- c) All direct costs, that are related to the lease, incurred by the Group to be added to the first measurement amount of the lease liability, which will be recognized as a right of use asset, and
- d) Estimated costs to be incurred by the Group shall be added to the initial measurement amount in relation to the dismantling and transporting of the defined asset constituting the subject of the lease, the restoration of the area in which it is placed, or the restoration of the defined asset as required by the terms and conditions of the lease.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

In applying the cost method, the Group measures the right of use asset by:

- a) Deducting the accumulated depreciation and accumulated impairment losses and
- b) Measuring the cost of the lease in accordance with the re-measurement of the lease liability.

The Group applies depreciation provisions in "TAS 16 Property, Plant and Equipment" while depreciating the right of use asset. In order to determine whether the right of use asset has been impaired or not and to recognize any impairment losses the "TAS 36 Impairment of Assets" standard is implemented.

*Lease liability*

At the effective date of the lease, the Company measures its leasing liability at the present value of the lease payments not realized at that date. If the interest rate on the lease can be easily determined, this rate is used in discount; if the implied interest rate cannot be easily determined, the payments are discounted by using the alternative borrowing interest rate of the lessee.

Lease payments that are included in the measurement of the lease liability of the Group and the payments that have not occurred on the date when the lease is actually started consist of the following:

- a) Amount deducted from all types of rental incentive receivables from fixed payments.
- b) Lease payments based on an index or a rate, lease payments made using an index or a rate at the time the initial measurement was actually started.
- c) The penalty for termination of the lease in cases the lessee shows a sign of it will use an option to terminate the lease.

After the effective date of the lease, the Group measures its lease liability as follows:

- a) Increasing the book value by reflecting interest on lease liability,
- b) Reducing the book value by reflecting the lease payments made,
- c) Re-measures the book value to reflect any re-evaluations and reconfigurations, if any. The Group reflects the remeasured amount of the lease obligation to the consolidated financial statements as adjustment in the use of right.

*Extension and early termination options*

A lease obligation is determined by considering the extension of the contracts and early termination options. Most of the extension and early termination options included in the contracts consist of options that are jointly applicable by the Company and the lessor. However, if such extension and early termination options are at the Company's discretion in accordance with the contract and the use of the options is reasonably certain, the lease term shall be determined by taking this issue into account. If there is a significant change in the conditions, the evaluation is reviewed by the Company.

*Facilitative applications*

Contracts related to IT equipment leases (mainly printer, laptop, mobile phone, etc.), which are determined by the Company as low value, short-term lease agreements with a period of 12 months and less, have been assessed under the exemption granted by the TFRS 16 Leases Standard, and payments for these contracts are recognized as an expense in the period in which they are incurred.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

**Business combinations**

The acquisition of businesses is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange for control of the acquire. Acquisition-related costs are generally recognised as cost as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with TAS 12 *Income Taxes* and TAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with TFRS 2 *Share-based Payment* at the acquisition date;
- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after revaluation, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TAS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with if it is found to be within the standard of TFRS 9 Financial Instruments: Recognition and Measurement, the mentioned conditional price is measured at its fair value and the gain or loss arising out of the change is recognised under profits, losses or other comprehensive income. Those not covered under the scope of TFRS 9, is recognized in profit or loss as per TAS 37 Provisions or other suitable "TAS".

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date (Note 3).

Legal mergers between entities controlled by the Group are not considered within the scope of TFRS 3 "Business Combinations". Therefore, goodwill is not calculated in such mergers. Besides, transactions occurring between the parties in legal mergers are subject to amendments during the preparation of the consolidated financial statements. In the accounting of share transfers under common control, assets and liabilities subject to business combination are included in the consolidated financial statements with their carrying values. Mergers between entities under common control are recognized by "Pooling of Interests" method. In applying the "Pooling of Interests" method, the consolidated financial statements are adjusted as if the acquisition was performed as of the beginning at the relevant reporting period in which the common control is carried out and they are presented comparatively as of the beginning of the relevant reporting period. As a result of these transactions, no goodwill or negotiable purchase effect is calculated (Note 3). Business combinations subject under common control are not within the scope of TFRS 3 "Business Combinations" and the Group does not recognize any goodwill with respect to such transactions. If the carrying amount of the acquired net assets on the date of the merger exceeds the transferred value, the difference is considered as the additional capital contributions of the shareholders and reflected to the Share Premiums. On the contrary, namely as a difference that occurs when the net value of the transferred assets exceeds the carrying amount of the net assets of the Company, on the date of the merger, the difference is reflected in the section "Effects of Mergers of Entities Under Common Control".



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

**Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

The cash-generating unit, where the goodwill is allocated, is tested for impairment annually. If there is any indication that the unit is impaired, the impairment test is performed more frequently.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated financial statements. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Gains or losses resulting from the sale or purchase of subsidiaries under the control of Doğan Holding (transactions that do not result in a change in control) are recognised under equity. TAS 27 (Revised) requires ownership decreases or increases which do not result in a change in control to be recorded under equity for accounting periods beginning on or after 1 July 2009. For accounting periods beginning prior to 1 July 2009, the difference resulted in favor of acquisition value in connection with sale or purchase of subsidiaries under the control of the Group which does not result in a change in control was recognised as goodwill.

**Foreign currency transactions**

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, under finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis under other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised under other comprehensive income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency (none of which has the currency of a hyperinflationary economy) are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Income and expenses for each income statement are translated at average exchange rates unless this average is not reasonable approximate of the cumulative effect of the prevailing on the transaction dates in which case income and expenses are translated at the rate on the dates of the transactions and
- All resulting exchange differences are recognized in other comprehensive income.

**Assets Held for Sale**

Fixed assets (or groups of assets to be disposed of) are classified as held for sale because their book values can be regained through sale rather than ongoing use, and when it's accepted that the possibility for sale is high. Deferred tax assets, assets gained as a result of employee benefits, financial assets, investment properties moved at their fair value and those rights other than the rights arising out of the contracts on insurance policies have been specifically excluded. Assets such as these held for sale are measured with whatever is lower, the book value or the sales-cost-deducted fair value.

If the value of an impairment of an asset (or group of assets to be disposed of) is lowered to its sales-cost-deducted fair value at the beginning or later, the impairment loss is recognised. If it does not exceed the accumulated impairment losses recognised beforehand, any increase to the sales-cost-deducted value of an asset (or group of assets to be disposed of) is recognised as income. Income or loss of an asset (or group of assets to be disposed of) that was not recognised before the day it was sold is recognised as of the day when the said asset is left out of the statement of financial position.

Fixed assets classified as held for sale (a fixed asset which is part of an asset group to be disposed of) cannot be depreciated or amortised. Interest or other expenses of debts related to the asset group classified as held for sale or to be disposed of continue to be recognised.

A fixed asset recognised as held for sale, and assets in a group of assets to be disposed of classified as held for sale, are shown separately from other assets in the statement of financial position. Debts related to an asset group classified as held for sale are shown separately from other debts in the statement of financial position

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

**Segment Reporting**

Industrial segment which is an asset and operation group producing goods and services is exposed to different risks and rewards from other industrial segments. The Group operations were monitored and reported as seven main segments, "Fuel Retail", "Electricity Production", "Industry and Trade", "Automotive Sales and Marketing", "Financing and Investment", "Internet and Entertainment", "Real Estate Investment" by the management. The Group management may change the structure of segment reporting, if they reach the conclusion that new structure may affect financial statement users' decisions and/or it will be useful during the review of financial statements. As the sales and the purchases of the Group are made and the assets of the Group are located mainly in Turkey, no geographic segmental information is considered necessary (Note 5).

In segment reporting, intra-segmental operations are recognised at segment level and inter-segmental operations are recognised as eliminations at consolidation level.

**Earnings/(loss) per share**

Earnings/(loss) per share is determined by dividing net income/(loss) by the weighted average number of shares that have been outstanding during the period concerned.

In Turkey, companies can increase their issued capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus share issuances are regarded as issued shares for all of the periods presented in the financial statements. Therefore, the weighted average number of shares used in earnings per share computations are made with regards to the distribution of shares occurred in the prior years (Note 34).

**Government grants**

Government grants are not recognized in the financial statements until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants which are financial assets, should be recognized as deferred revenue in the consolidated statement of financial position rather than recognised in the statement of profit or loss to clarify the expenditure item that is financed and transferred to profit or loss on a systematic and rational basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates (Note 18).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Summary of Significant Accounting Policies (Continued)**

**Subsequent events**

In the case that events requiring a correction to be made occur subsequent, the Group makes the necessary corrections to the consolidated financial statements.

In the case that events not requiring a correction to be made occur subsequent, those events are disclosed in the notes of consolidated financial statements (Note 40).

**Statement of cash flows**

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group's activities.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid with three months or less to maturity and do not have a significant risk of value change.

**2.3 Critical Accounting Estimates, Assumptions and Decisions**

**2.3.1 Critical accounting estimates and assumptions**

**a) Value added tax carried forward**

Value added tax (VAT) carried forward classified as non-current under other non-current assets, is calculated by considering VAT amounts that will arise as the result of cash flows predicted by the Group to have a duration longer than one year. In case of a 10% increase or decrease of prospective sales income used in calculations related to the current or non-current classification of VAT amounts, VAT amounts classified as non-current as of 31 December 2021 would have increased or decreased by TRY10,649 (Note 21).

**b) Deferred tax assets**

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TAS published by POAASA and their statutory financial statements. The fully or partially recoverable amount of deferred tax assets are estimated under available circumstances. The future income projections, unused losses and expiration dates of other tax assets and tax planning strategies that can be used when necessary are considered during the evaluation of estimations. The Group has recognized deferred tax assets amounting to TRY40,254 (31 December 2020: TRY59,543) arising from unused tax losses amounting to TRY188,121 (31 December 2020: TRY297,715) as of 31 December 2021, considering the future profit projections (Note 32).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.3 Critical Accounting Estimates, Assumptions and Decisions (Continued)**

*c) Provision for doubtful trade receivables*

When there is an indicator that the collection of receivables will be impossible, provision is provided for the receivables. The amount of the provision is determined based on the assessment of the Group based on the aging of receivables and the payment performance of the customers. The provision for doubtful receivables is an accounting estimate determined based on the past payment performance and financial situations of the customers. Considering the ordinary course of trade cycle of the Group, provision for doubtful receivables for the trade receivables is considered for the trade receivables for which the collection period is over the ordinary course of trade cycle considering the fact that trade receivable is in the administrative and/or legal proceedings, with or without guarantee, objective evidence etc. When trade receivables are not impaired along with realised impairment losses for certain reasons, the Group recognises an expected credit loss provision equal to the expected lifetime credit loss for these trade receivables as per TFRS 9. Expected credit loss is calculated using expected credit loss rates determined based on previous credit loss experiences of the Group and prospective macroeconomic indicators. Changes in expected credit loss provisions are recognised under other income and expenses from main activities. As of 31 December 2021, doubtful provision is TRY121,694 (31 December 2020: TRY115,950) (Note 9 and 10).

*d) Impairment on receivables from finance sector operations*

The Group reviews its financial assets classified as measured at fair value through other comprehensive income and measured at amortised cost at each balance sheet date in order to assess whether they are impaired in line with the accounting policies set out in Note 2.2.

The methodology and assumptions used for estimating both significant increase in credit risk and forward-looking information in Note 2.2 are discussed below.

Significant increase in credit risk

In the assessment of significant increase in credit risk quantitative and qualitative assessments are made.

Qualitative Assessment:

As a result of quantitative assessment, related financial asset is classified as Stage 2 (significant increase in credit risk) when any of the following criteria are satisfied.

As of reporting date;

- Lifetime expected credit losses shall be recognised on a transaction base, when a past due status is reached. The Group can abandon this estimation only if it has positive, reasonable and supportable information available regarding the client's repayment.
- In case a loan has been restructured, it will be followed up under Stage 2 during the follow-up period mentioned in the related regulations. The loan can be transferred back to Stage 1 at end of the follow-up period if there is no significant deterioration.

Provisions on unindemnified non-cash loans are evaluated as significant increase in credit risk.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.3 Critical Accounting Estimates, Assumptions and Decisions (Continued)**

Quantitative assessment:

The probability of significant increase in credit risk under qualitative assessment is based on the comparison of probability of default of a loan in the origination and as of reporting date.

The Group uses distribution regression on segment basis in order to calculate the thresholds used in defining the significant increase in credit risk.

Prospective macroeconomic information

The Group incorporates forward-looking macroeconomic information into credit risk parameters during the assessment of significant increase in credit risk and expected credit loss calculation.

For the calculation of expected credit loss, the Group uses macroeconomic forecasting model developed in the stage of creating multiple scenarios. Macroeconomic variables prevailing during this forecasting are Gross Domestic Product (GDP), Unemployment Rate, Foreign Trade Balance and Housing Price Index. When expected credit losses are estimated in accordance with the forward-looking macroeconomic information, the Group evaluates three scenarios (base, pessimistic and optimistic) with different weights. Each of these three scenarios is associated with different probability of default risk.

In cases where macroeconomic scenarios do not cover the long term, a process called mean convergence is applied for beyond the estimated period of macroeconomic variables.

**e) *Investment properties***

Important assumptions of the Group Management regarding investment properties are disclosed in Note 14.

**f) *Impairment of subsidiaries***

The Group decided to end up its prospective investments in Gas Plus Erbil and book a provision for already existing investments based on the “prudence” principle of accounting, considering the following facts: there is a strong expectation of the Group management that the planned productivity from Gas Plus Erbil’s fields will not be sustained and the only way of producing oil from the wells is using “heavy oil” production technology which leads to a high level of production cost; accordingly, neither a commercial benefit nor another gain is expected. On the other hand, the political uncertainties at that area were also considered by the Group management. In this context, the Group has decided to terminate the related contracts and leave the sites it operates and no provision has been set as the amount of expenses to be incurred cannot be measured reliably yet. In addition to this, it is not expected that the costs incurred will have a significant impact on the consolidated financial statements (Note 4).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.3 Critical Accounting Estimates, Assumptions and Decisions (Continued)**

***g) Impact of the Covid-19 Pandemic on the Group's Operations***

In December 2019, COVID-19 (Coronavirus) appeared in China. In the first months of 2020, COVID-19 spreads rapidly around the world. It was declared a global epidemic by the World Health Organization on 11 March 2020.

In this context, our group companies benefit from government aid such as the short-term working allowance, VAT, withholding tax and SSI postponements. This situation is continuing to exist as of the date the consolidated financial statements were approved. According to our evaluations we did not find any material impact on the consolidated financial results prepared as of 31 December 2021. In this respect;

**Aytemiz Akaryakıt**

During 2020, which was under the influence of the COVID-19 virus, the Group's total fuel sales decreased by 2% compared to the previous year. In the same period, there was a decrease of 11% in retail fuel sales compared to the previous year. The Group tried to compensate for the shrinkage in fuel sales with government incentives such as short-time working allowance and discipline in operating expenses.

With the start of vaccination in the 2021, the effect of the pandemic decreased and Group fuel sales increased by 11% compared to the previous year. Despite the closure in May, the company's profitability increased with the increase in sales volumes, the worldwide recovery and the increase in oil prices. The Group management has determined a prudent expense management policy, taking into account possible Covid effects, and has tried to dynamically manage its sales and marketing activities. It plans to take additional measures in case of need, depending on the effects of the pandemic on general activities, operational results and financial situation.

**Galata Wind**

The normal course of business continued in Galata Wind, a subsidiary of the Group. Measures such as remote work for personnel, social distancing in the workplace, preventative hygiene practices and online trainings for the staff were taken. Due to the fact that the Group made a significant part of its electricity sales at a fixed rate in the scope of YEKDEM in 2021, Covid-19 did not have a critical impact on the Group's operations, electricity generation or liquidity.

**Çelik Halat**

After the COVID-19 outbreak, as a result of developments/slowing both in overall financial activity and in the sector in which Çelik Halat operates, sales processes slowed in the countries where Çelik Halat operates.

In the meantime, Çelik Halat took action to minimise investment expenses, operational costs and inventories, and reviewed the cash management strategy to strengthen liquidity position.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.3 Critical Accounting Estimates, Assumptions and Decisions (Continued)**

With this process, company management took the necessary actions to minimise as much as possible the potential impact of COVID-19 on Çelik Halat’s operations and financial status. There were no delays in payments to suppliers or collection of receivables.

It is still unclear, both in Turkey and around the world, how long the impact of COVID-19 will last and to what extent the virus will continue to spread. It will be possible to make a more clear and accurate estimation for the medium and long-term when the severity and duration of the impact become more evident. The potential impact of the COVID-19 outbreak was taken into account when preparing the interim consolidated financial statements dated 31 December 2021, and the estimations and assumptions used when preparing the financial statements were reviewed. In this context, the company tested potential impairments in the value of financial assets, inventories and property, plant and equipment in the interim financial statements dated 31 December 2021, and did not determine any impairment-related findings of any significant amount.

**D Gayrimenkul**

The Trump Offices and Shopping Mall property, where shopping mall activities are performed on parcel No 3, on block 2524 in the Mecidiyeköy neighbourhood in the Şişli District of Istanbul, and which is owned by the group’s subsidiary, D Gayrimenkul, recognized a slowdown in its financial activities due to the spread of the epidemic. When the pandemic had the most impact, various discounts on rent were implemented in good faith, and necessary measures to reduce operational costs were taken. The Company follows the COVID-19 developments closely and struggles to manage the processes as efficiently and as effectively as possible with stakeholders.

**Hepsi Emlak**

Pandemic had a negative impact on real estate purchase and sales demand especially in the first quarter of 2021, as well as in 2020. Hepsi Emlak continued its action to stop the victimization of real estate offices during the pandemic. In May, when its clients were having difficulty in repayment and when there was full lock down, it paid half of the package payments of its clients and extended the contract period for 1 month free of charge. Afterwards, it launched new technological products for necessary clients to make up for the losses occurred during the pandemic and to enable constantly innovated Hepsi Emlak to be experienced. In this way, it increased its client number by approximately 1,000 compared to last year even though it was a crisis period.

During this challenging process, Hepsi Emlak planned to take responsibility and support its shareholders, and to emerge from this challenging process together with its shareholders. It continued to support the industry’s digitalization with the subscription fee support and academy trainings it started with various real estate chambers, as well as its technological products that makes life easier, and contributed its clients in complying with the new normal more easily.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

#### NOTE 3 - BUSINESS COMBINATIONS

*Business combinations as of 31 December 2021:*

##### **Acquisition of Profil Sanayi ve Ticaret A.Ş. and 3S Kalıp Aparat Makine Sanayi ve Ticaret A.Ş.**

Ditaş Doğan, 3S Kalıp Aparat Makine Sanayi ve Ticaret A.Ş. ("3S Kalıp") and Profil Sanayi ve Ticaret A.Ş. ("Profil") on 30 November 2021, with 70% of its shares representing the fully paid-in capital of TRY11,250,000, through participation, and the cost partially covered by equity capital and partially by bank loan. The purchase price has been determined as TRY27,107,178 (exact).

Since the initial accounting of this acquisition within the scope of TFRS 3 business combinations standard has not been completed as of the date of preparation of the financial statements, it has been accounted for with provisional amounts in the consolidated financial statements as of 31 December 2021. The company will complete the initial accounting of the business combination and make the necessary adjustments within 1 year from the date of the merger.

In the consolidated profit or loss statement, Profil Sanayi ve Ticaret A.Ş.'s share in sales revenues from 30 November 2021, which is the closest financial statement date to the date of acquisition, until 31 December 2021, was TRY22,137. If Profil Sanayi ve Ticaret A.Ş. had been included in the consolidation as of 1 January 2021, additional sales income amounting to TRY133,137 would have been realized in the consolidated profit or loss statement for the accounting period of 1 January - 31 December 2021. These amounts have been calculated considering the financial statements prepared in accordance with TFRS.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 3 - BUSINESS COMBINATIONS (Continued)

##### Acquisition of Profil Sanayi ve Ticaret A.Ş. and 3S Kalıp Aparat Makine Sanayi ve Ticaret A.Ş. (Continued)

|                               | Book Value      | Fair Value     |
|-------------------------------|-----------------|----------------|
| <b>Current Assets</b>         | <b>77,863</b>   | <b>77,863</b>  |
| Cash and cash equivalents     | 4,163           | 4,163          |
| Trade receivables             | 29,323          | 29,323         |
| Other receivables             | 478             | 478            |
| Inventories                   | 39,649          | 39,649         |
| Other current assets          | 4,250           | 4,250          |
| <b>Non-current assets</b>     | <b>22,527</b>   | <b>92,420</b>  |
| Rights of use assets          | 7,855           | 7,855          |
| Property, plant and equipment | 10,721          | 64,783         |
| Intangible assets             | 538             | 16,369         |
| Deferred tax asset            | 3,126           | 3,126          |
| Other non-current assets      | 287             | 287            |
| <b>Total Assets</b>           | <b>100,390</b>  | <b>170,283</b> |
| <b>Short-term liabilities</b> | <b>79,882</b>   | <b>79,882</b>  |
| Short-term borrowings         | 14,847          | 14,847         |
| Lease borrowings              | 2,795           | 2,795          |
| Trade payables                | 50,745          | 50,745         |
| Other payables                | 6,413           | 6,413          |
| Other short term liabilities  | 5,082           | 5,082          |
| <b>Long-term liabilities</b>  | <b>41,827</b>   | <b>55,805</b>  |
| Long-term borrowings          | 16,041          | 16,041         |
| Lease borrowing               | 7,898           | 7,898          |
| Deferred income               | 5,685           | 5,685          |
| Other payables                | 7,301           | 7,301          |
| Long-term provisions          | 4,902           | 4,902          |
| Deferred tax liability        | -               | 13,978         |
| <b>Total Liabilities</b>      | <b>121,709</b>  | <b>135,687</b> |
| <b>Total Net Assets</b>       | <b>(21,319)</b> | <b>34,596</b>  |
| Total transaction amount (*)  |                 | 27,107         |
| Non-controlling interests     |                 | 10,379         |
| Net asset amount acquired     |                 | (34,596)       |
| <b>Goodwill</b>               |                 | <b>2,890</b>   |

(\*) The amount in question has not yet been paid on 31 December 2021 and has been accounted for as other liability.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

#### NOTE 3 - BUSINESS COMBINATIONS (Continued)

*Business combinations as of 31 December 2020:*

##### **Acquisition of Doğan Yayınları Yayıncılık ve Yapımcılık Ticaret A.Ş.**

The registered shares that were owned by Egmont Int. Holding A/S with the nominal value of TRY1 representing 8,775,000 total shares of Doğan Yayıncılık which was jointly controlled by the Group and Egmont Int. Holding A/S, that has an issued capital of TRY17,550,00 (exact), fully paid and participated in 50% by the Group, was taken over on 26 April 2021. Therefore, Doğan Yayıncılık is controlled by the Group as the sole shareholder. The Group paid in cash TRY11,000,000 (exact) as a purchase amount for the registered 50% of the shares represented by Egmont Int. Holding A/S.

In the consolidated statement of income, Doğan Yayıncılık's share in sales income from 30 April 2021 which is the closest financial statement date of acquisition until 31 December 2021 was TRY82,232. If Doğan Yayıncılık was included in the consolidation beginning from 1 January 2021, the consolidated statement of income of the 1 January - 31 December 2021 accounting period would include additional sales income of TRY46,859. The afore-mentioned amounts have been calculated by taking into consideration the financial statements prepared in accordance with the TFRS.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 3 - BUSINESS COMBINATIONS (Continued)

##### *Acquisition of Doğan Yayınları Yayıncılık ve Yapımcılık Ticaret A.Ş. (Continued)*

|   | Book Value     | Fair Value     |
|---|----------------|----------------|
| <b>Current Assets</b>   | <b>94,936</b>  | <b>94,936</b>  |
| Cash and cash equivalents   | 6,750          | 6,750          |
| Trade receivables   | 40,020         | 40,020         |
| Inventories   | 15,660         | 15,660         |
| Prepaid expenses  | 18,451         | 18,451         |
| Other current assets  | 14,055         | 14,055         |
| <b>Non-current assets</b>   | <b>6,967</b>   | <b>10,633</b>  |
| Rights of use assets  | 2,110          | 2,110          |
| Property, plant and equipment   | 1,401          | 1,401          |
| Intangible assets   | 760            | 5,343          |
| Deferred tax assets   | 2,696          | 1,779          |
| <b>Total Assets</b>   | <b>101,903</b> | <b>105,569</b> |
| <b>Short-term liabilities</b>   | <b>55,814</b>  | <b>55,814</b>  |
| Short-term borrowings   | 8,000          | 8,000          |
| Lease borrowings  | 1,555          | 1,555          |
| Trade payables  | 11,328         | 11,328         |
| Other payables  | 7              | 7              |
| Short-term provisions   | 30,466         | 30,466         |
| Other short term liabilities  | 4,458          | 4,458          |
| <b>Long-term liabilities</b>  | <b>3,578</b>   | <b>3,578</b>   |
| Lease borrowings  | 611            | 611            |
| Long term provisions  | 2,967          | 2,967          |
| <b>Total Liabilities</b>  | <b>59,392</b>  | <b>59,392</b>  |
| <b>Total Net Assets</b>   | <b>42,511</b>  | <b>46,177</b>  |
| Total cash paid   | -              | 11,000         |
| Disposals of investments accounted for by the equity method (Note 4)                                      | -              | 11,000         |
| <b>Total transaction amount</b>   | <b>-</b>       | <b>22,000</b>  |
| Net asset amount acquired   | -              | (46,177)       |
| <b>Earnings obtained as a result of the negotiated purchase as of the day of share purchase (Note 30)</b> | <b>-</b>       | <b>24,177</b>  |

The reconciliation of cash flow as of the day of share purchase is presented below:

|                                    |          |              |
|------------------------------------|----------|--------------|
| Total cash paid                    | -        | 11,000       |
| Cash and cash equivalents received | -        | (6,750)      |
| <b>Net cash outflow/(inflow)</b>   | <b>-</b> | <b>4,250</b> |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

#### NOTE 3 - BUSINESS COMBINATIONS (Continued)

*Business combinations as of 31 December 2020:*

##### **Acquisition of Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş.**

The Group decided to acquire and take over whole of the shares (100%) representing the fully paid-in TRY850,000 (exact) capital of Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş. (“Sesa Ambalaj”) via Sesa Üretim Yatırımları ve Yönetim Hizmetleri A.Ş.’s (“Sesa Yatırım”) as a subsidiary to be established exclusively for this purpose and participated in its capital by 70% on 14 September 2020 and the amount was paid in part by equity and bank loan. The purchase price is TRY768,736,408 (exact), and TRY412,937,984 (exact) of this amount was paid by bank loan and the remaining TRY355,798,424 (exact) was paid by equity. In addition, due to the fact that profit before annual interest, depreciation and tax (“EBITDA”) in the accounting period ending on 31 December 2020 exceeds EUR11,000, an extra remuneration of EUR2,500 based on performance will be paid. The above-mentioned amount is recognised under “Other payables due to non-related parties” as of 31 December 2020. The payment of the relevant amount was made in the first half of 2021.

In the consolidated statement of income, Sesa Ambalaj’s share of sales income obtained between the date of acquisition and 31 December 2020 was TRY197,675. In the same period, its contribution to net period profit after the consolidated non-controlling shares corresponds to TRY13,881. If Sesa Ambalaj was included in the consolidation beginning from 1 January 2020, the consolidated statement of income of the 1 January - 31 December 2020 accounting period would include additional sales income of TRY307,274 and a TRY66,266 increase in net period profit after non-controlling shares. The aforementioned amounts have been calculated by taking into consideration the financial statements prepared in accordance with the Tax Procedural Law.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 3 - BUSINESS COMBINATIONS (Continued)

##### Acquisition of Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş. (Continued)

|   | Book Value     | Fair Value     |
|---|----------------|----------------|
| <b>Current Assets</b>                       | <b>246,991</b> | <b>264,860</b> |
| Cash and cash equivalents                   | 104,022        | 104,022        |
| Financial investments                       | 1,479          | 1,479          |
| Trade receivables                           | 90,216         | 90,216         |
| Other receivables                           | 1,148          | 1,148          |
| Inventories                                 | 37,678         | 55,547         |
| Other current assets                        | 12,448         | 12,448         |
| <b>Non-current assets</b>                   | <b>66,389</b>  | <b>616,536</b> |
| Rights of use assets                        | 602            | 602            |
| Property, plant and equipment               | 65,206         | 171,129        |
| Trade names                                 | -              | 89,056         |
| Customer relations                          | -              | 355,168        |
| Intangible assets                           | 219            | 219            |
| Other non-current assets                    | 362            | 362            |
| <b>Total Assets</b>                         | <b>313,380</b> | <b>881,396</b> |
| <b>Short-term liabilities</b>               | <b>42,823</b>  | <b>42,823</b>  |
| Short-term borrowings                       | 51             | 51             |
| Short-term portion of long- term borrowings | 6,334          | 6,334          |
| Lease borrowings                            | 606            | 606            |
| Trade payables                              | 19,127         | 19,127         |
| Other payables                              | 598            | 598            |
| Payables related to employee benefits       | 2,967          | 2,967          |
| Deferred income                             | 2,640          | 2,640          |
| Current income tax liability                | 7,840          | 7,840          |
| Short-term provisions                       | 2,430          | 2,430          |
| Other short term liabilities                | 230            | 230            |
| <b>Long-term liabilities</b>                | <b>10,030</b>  | <b>121,038</b> |
| Long-term borrowings                        | 3,645          | 3,645          |
| Long-term provisions                        | 4,610          | 4,610          |
| Deferred tax liability                      | 1,775          | 112,783        |
| <b>Total Liabilities</b>                    | <b>52,853</b>  | <b>163,861</b> |
| <b>Total Net Assets</b>                     | <b>260,527</b> | <b>717,535</b> |
| Total cash paid                             | -              | 768,736        |
| Cash and cash equivalents received          | -              | (104,022)      |
| <b>Net cash outflow/(inflow)</b>            | <b>-</b>       | <b>664,714</b> |
| Goodwill as of the day of share purchase    | -              | 51,202         |
| <b>Goodwill as of 31 December 2020</b>      | <b>-</b>       | <b>51,202</b>  |
| Total net assets acquired                   | -              | 717,535        |
| Group's effective ownership                 | -              | 70%            |
| <b>Non-Controlling Interests</b>            | <b>-</b>       | <b>215,261</b> |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

Joint ventures of Doğan Holding are presented below. Joint venture's nature of businesses, segments, registered countries and entrepreneurial partners are summarized as following:

| Joint venture  | Country | Nature of business      | Entrepreneurial partner                             |
|--|---------|-------------------------|---|
| Aslancık Elektrik Üretim A.Ş.<br>("Aslancık Elektrik")                                   | Turkey  | Energy                  | AG Anadolu Grubu Holding A.Ş.<br>Doğuş Holding A.Ş. |
| Boyabat Elektrik Üretim ve Ticaret A.Ş.<br>("Boyabat Elektrik")                          | Turkey  | Energy                  | Unit Investment N.V.<br>Doğuş Holding A.Ş.          |
| Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")                           | Turkey  | Magazine publishing     | Burda GmbH  |
| Gas Plus Erbil Ltd. ("Gas Plus Erbil")   | Jersey  | Energy                  | Newage Alzarooni Limited                            |
| Kandilli Gayrimenkul Yatırımları Yönetim İnşaat ve Ticaret A.Ş. ("Kandilli Gayrimenkul") | Turkey  | Real estate management  | Rönesans Gayrimenkul Yatırım A.Ş.                   |
| Ultra Kablolu Televizyon ve Telekomünikasyon Sanayi ve Ticaret A.Ş. ("Ultra Kablolu")    | Turkey  | Telecommunication       | Koç Holding A.Ş.                                    |
| Dergi Pazarlama Planlama ve Ticaret A.Ş. ("DPP")   | Turkey  | Planning                | Burda GmbH  |
| Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC")  | Turkey  | Music and entertainment | Believe International                               |
| NetD Müzik Video Dijital Platform ve Ticaret A.Ş. ("NetD Müzik")                         | Turkey  | Internet services       | Believe International                               |

The table below sets out the Joint Ventures, Doğan Holding and its subsidiaries and Doğan family voting power and effective ownership interests at 31 December 2021 and 31 December 2020:

| Joint Ventures                  | Proportion of voting power held by Doğan Holding and its subsidiaries (%) |                  | Proportion of voting power held by Doğan family members (%) |                  | Total proportion of voting power held (%) |                  | Proportion of effective ownership interest (%) |                  |
|---------------------------------|---|------------------|---|------------------|---|------------------|--|------------------|
|                                 | 31 December 2021  | 31 December 2020 | 31 December 2021  | 31 December 2020 | 31 December 2021                          | 31 December 2020 | 31 December 2021                               | 31 December 2020 |
| Aslancık Elektrik               | 33.33   | 33.33            | -   | -                | 33.33                                     | 33.33            | 33.33  | 33.33            |
| Boyabat Elektrik                | 33.00   | 33.00            | -   | -                | 33.00                                     | 33.00            | 33.00  | 33.00            |
| Doğan Burda <sup>(1)</sup>      | 39.87   | 40.13            | -   | -                | 39.87                                     | 40.13            | 39.87  | 40.13            |
| Doğan Yayıncılık <sup>(2)</sup> | 100.00  | 50.00            | -   | -                | 100.00                                    | 50.00            | 100.00   | 50.00            |
| Gas Plus Erbil <sup>(3)</sup>   | 50.00   | 50.00            | -   | -                | 50.00                                     | 50.00            | 50.00  | 50.00            |
| Kandilli Gayrimenkul            | 50.00   | 50.00            | -   | -                | 50.00                                     | 50.00            | 50.00  | 50.00            |
| Ultra Kablolu                   | 50.00   | 50.00            | -   | -                | 50.00                                     | 50.00            | 50.00  | 50.00            |
| DPP                             | 56.00   | 56.00            | -   | -                | 56.00                                     | 56.00            | 56.00  | 56.00            |
| DMC                             | 40.00   | 40.00            | -   | -                | 40.00                                     | 40.00            | 40.00  | 40.00            |
| NetD Müzik                      | 40.00   | 40.00            | -   | -                | 100.00                                    | 100.00           | 40.00  | 40.00            |

- (1) Proportion of effective ownership interest of the related joint venture changed due to the sale of public shares directly owned by Doğan Holding.
- (2) It was decided that 50% of the capital and voting power of respective subsidiary to be acquired and controlled by the Group as of 16 February 2021. "Closing" transactions were completed as of 26 April 2021 and Doğan Şirketler Grubu Holding A.Ş. became the sole shareholder of Doğan Egmont under the trade name of Doğan Yayınları Yayıncılık ve Yapımcılık Ticaret A.Ş.
- (3) The Group decided to end up its prospective investments in Gas Plus Erbil and book a provision for already existing investments based on the "prudence" principle of accounting, considering the following facts: there is a strong expectation of the Group management that the planned productivity from Gas Plus Erbil's fields will not be sustained and the only way of producing oil from the wells is using "heavy oil" production technology which leads to a high level of production cost; accordingly, neither a commercial benefit nor another gain is expected. On the other hand, the political uncertainties at that area were also considered by the Group management. In this context, the Group has decided to terminate the related contracts and leave the sites it operates and no provision has been set as the amount of expenses to be incurred cannot be measured reliably yet.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

Profit and loss arising from the transactions between the Group's subsidiaries and its joint ventures are eliminated in accordance with the Group's share in its related subsidiary or its joint venture. The summary of the Group's share of the financial statements of the investments accounted for by the equity method as of 31 December 2021 and 31 December 2020 are as follows:

|                                  | Total<br>assets | Total<br>liabilities | Net<br>assets  | Group's share<br>on net assets/<br>liabilities | Net<br>sales   | Profit/(loss)<br>for the<br>period | Group's<br>share<br>on net profit/<br>(loss) |
|----------------------------------|-----------------|----------------------|----------------|--|----------------|------------------------------------|--|
| <b>31 December 2021</b>          |                 |                      |                |  |                |                                    |  |
| Kandilli Gayrimenkul             | 286,610         | 32,185               | 254,425        | 127,212  | -              | 65,304                             | 32,652                                       |
| Doğan Burda                      | 70,948          | 46,582               | 24,366         | 9,715  | 89,535         | 10,069                             | 4,014  |
| Ultra Kablo                      | 6,642           | 26                   | 6,616          | 3,308  | -              | (78)                               | (39)   |
| DPP <sup>(2)</sup>               | 803             | 1,109                | (306)          | -  | 2,536          | 384                                | 215  |
| DMC <sup>(1)</sup>               | 238,413         | 60,335               | 178,078        | 123,905  | 187,718        | 35,682                             | 14,273                                       |
| <b>Total</b>                     | <b>603,416</b>  | <b>140,237</b>       | <b>463,179</b> | <b>264,140</b>                                 | <b>279,789</b> | <b>111,361</b>                     | <b>51,115</b>                                |
| Boyabat Elektrik <sup>(3)</sup>  | 1,564,680       | 9,102,036            | (7,537,356)    | -  | 398,933        | (3,945,346)                        | -  |
| Aslancık Elektrik <sup>(3)</sup> | 483,161         | 804,525              | (321,364)      | (107,111)                                      | 166,318        | (281,651)                          | (93,874)                                     |
|                                  |                 |                      |                |  |                |                                    |  |
|                                  | Total<br>assets | Total<br>liabilities | Net<br>assets  | Group's share<br>on net assets/<br>liabilities | Net<br>sales   | Profit/(loss)<br>for the<br>period | Group's<br>share<br>on net profit/<br>(loss) |
| <b>31 December 2020</b>          |                 |                      |                |  |                |                                    |  |
| Kandilli Gayrimenkul             | 204,615         | 15,835               | 188,780        | 94,390   | -              | 9,179                              | 4,590  |
| Doğan Burda                      | 49,081          | 31,835               | 17,246         | 6,921  | 61,548         | (4,052)                            | (1,626)                                      |
| Doğan Yayıncılık                 | 87,592          | 43,957               | 43,635         | 21,818   | 38,325         | 4,289                              | 2,145  |
| Ultra Kablo                      | 6,721           | 25                   | 6,696          | 3,348  | -              | (330)                              | (165)  |
| DPP                              | 381             | 237                  | 144            | 81   | 1,773          | (50)                               | (28)   |
| DMC <sup>(1)</sup>               | 196,503         | 47,714               | 148,789        | 112,188  | 73,950         | 13,689                             | 5,475  |
| <b>Total</b>                     | <b>544,893</b>  | <b>139,603</b>       | <b>405,290</b> | <b>238,746</b>                                 | <b>175,596</b> | <b>22,725</b>                      | <b>10,391</b>                                |
| Boyabat Elektrik                 | 1,620,800       | 5,212,599            | (3,591,799)    | -  | 213,946        | (1,341,590)                        | -  |
| Aslancık Elektrik                | 471,908         | 511,562              | (39,654)       | (13,217)                                       | 154,709        | (60,068)                           | (20,021)                                     |

<sup>(1)</sup> The related amounts represent the consolidated financial statements of DMC and Net D Müzik.

<sup>(2)</sup> As of 31 December 2021, DPP has a loss of TRY171 not reflected in the financial statements. The Group anticipates that unrecognized losses will not create additional liabilities for the Group.

<sup>(3)</sup> The Group's portion of net assets in Aslancık Elektrik has been accounted for in the consolidated financial statements, taking into account the amount of guarantees given within the scope of hydroelectric power plant project financing. The Group's share of Boyabat Elektrik for the period ended 31 December 2021 is TRY1,301,958 (2020: TRY442,772) and cumulatively TRY2,487,327 (2020: 1,185,294); The Group has fulfilled its current obligations in cash and in lump sum in 2019.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

The movements of investments accounted for by the equity method for the related period are as follows:

|  | 2021           | 2020           |
|--|----------------|----------------|
| <b>1 January</b>   | <b>225,529</b> | <b>128,557</b> |
| Share of gain (loss) on investments accounted for by the equity method | (42,509)       | (9,630)        |
| Impairment in fair value <sup>(3)</sup>                                | (11,067)       | -              |
| Disposal of joint venture <sup>(3)</sup>                               | (11,000)       | -              |
| Dividend payment   | (2,393)        | -              |
| Disposal   | (44)           | (1,070)        |
| Increase in fair value <sup>(4)</sup> (Note 30)                        | -              | 87,789         |
| Acquisition of joint venture <sup>(4)</sup>                            | -              | 18,974         |
| Capital increase   | 170            | 1,155          |
| Other  | (1,657)        | (246)          |
| <b>31 December</b>   | <b>157,029</b> | <b>225,529</b> |

<sup>(3)</sup> The fair value of Doğan Yayıncılık's shares was determined as TRY22,000 as of the date of the takeover of the shares corresponding to 50% of the capital and voting rights of the associate (Note 3). Accordingly, the book value of the investment, whose book value is TRY21,767, has been adjusted to TRY11,000 by reflecting the effect of fair value change amounting to TRY 11,067, and as of 30 April 2021, it has become a subsidiary that the Group fully controls and is within the scope of full consolidation. included in the consolidated financial statements. The details of the acquisition in accordance with TFRS 3 are explained in Note 3.

<sup>(4)</sup> As of the date of the subsidiary sale transaction, the total fair value of the mentioned DMC and NetD Müzik companies has been determined as TRY106,763, of which TRY18,974 represents the book value and TRY87,789 represents the fair value effect. The Group's share of the total comprehensive income of the related companies from the said sale transaction until 31 December 2020 is TRY5,475; As of 31 December 2020, the Group's share of the net assets of these companies amounted to TRY 112,188.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

Condensed financial information after consolidation adjustments of Joint Ventures is as follows:

##### Condensed statement of financial position information:

| 31 December 2021               | Boyabat<br>Elektrik | Aslancık<br>Elektrik | Kandilli<br>Gayrimenkul | Doğan<br>Burda | Ultra<br>Kablolu | DPP          | DMC            | Total              |
|--------------------------------|---------------------|----------------------|-------------------------|----------------|------------------|--------------|----------------|--------------------|
| Cash and cash equivalents      | 10,475              | 16,462               | 72                      | 31,014         | 12               | 3            | 6,552          | 64,590             |
| Other current assets           | 17,742              | 1,017                | 4                       | 29,843         | 6,630            | 607          | 110,794        | 166,637            |
| Other non-current assets       | 1,536,463           | 465,682              | 286,534                 | 10,091         | -                | 193          | 121,067        | 2,420,030          |
| <b>Total assets</b>            | <b>1,564,680</b>    | <b>483,161</b>       | <b>286,610</b>          | <b>70,948</b>  | <b>6,642</b>     | <b>803</b>   | <b>238,413</b> | <b>2,651,257</b>   |
| Short-term borrowings          | 603,289             | 739,660              | -                       | 2,799          | -                | -            | 325            | 1,346,073          |
| Other short-term liabilities   | 47,740              | 64,265               | 15                      | 29,735         | 9                | 169          | 58,063         | 199,996            |
| Long-term borrowings           | 8,078,740           | 91                   | -                       | 1,433          | -                | -            | 276            | 8,080,540          |
| Other long-term liabilities    | 372,267             | 509                  | 32,170                  | 12,615         | 17               | 940          | 1,671          | 420,189            |
| <b>Total liabilities</b>       | <b>9,102,036</b>    | <b>804,525</b>       | <b>32,185</b>           | <b>46,582</b>  | <b>26</b>        | <b>1,109</b> | <b>60,335</b>  | <b>10,046,798</b>  |
| <b>Net assets:</b>             | <b>(7,537,536)</b>  | <b>(321,364)</b>     | <b>254,425</b>          | <b>24,366</b>  | <b>6,616</b>     | <b>(306)</b> | <b>178,078</b> | <b>(7,395,541)</b> |
| <i>Group's share</i>           | <i>0.33</i>         | <i>0.33</i>          | <i>0.50</i>             | <i>0.40</i>    | <i>0.50</i>      | <i>0.56</i>  | <i>0.40</i>    |                    |
| <b>Group's net asset share</b> | <b>-</b>            | <b>(107,111)</b>     | <b>127,212</b>          | <b>9,715</b>   | <b>3,308</b>     | <b>-</b>     | <b>123,905</b> | <b>157,029</b>     |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

#### Condensed statement of financial position information (Continued):

| 31 December 2020               | Boyabat<br>Elektrik | Aslancık<br>Elektrik | Kandilli<br>Gayrimenkul | Doğan<br>Burda | Ultra<br>Kablolu | Doğan<br>Yayıncılık | DPP         | DMC            | Total              |
|--------------------------------|---------------------|----------------------|-------------------------|----------------|------------------|---------------------|-------------|----------------|--------------------|
| Cash and cash equivalents      | 303                 | 16,867               | 24                      | 18,965         | 89               | 8,213               | 11          | 13,651         | 58,123             |
| Other current assets           | 15,412              | 5,868                | 72                      | 22,333         | 6,632            | 72,238              | 363         | 69,999         | 192,917            |
| Other non-current assets       | 1,605,085           | 449,173              | 204,519                 | 7,783          | -                | 7,141               | 7           | 112,853        | 2,386,561          |
| <b>Total assets</b>            | <b>1,620,800</b>    | <b>471,908</b>       | <b>204,615</b>          | <b>49,081</b>  | <b>6,721</b>     | <b>87,592</b>       | <b>381</b>  | <b>196,503</b> | <b>2,637,601</b>   |
| Short-term borrowings          | 346,055             | 21,713               | -                       | 1,755          | -                | 8,000               | -           | 116            | 377,639            |
| Other short-term liabilities   | 29,103              | 51,229               | 19                      | 21,851         | 8                | 35,957              | 237         | 46,655         | 185,059            |
| Long-term borrowings           | 4,607,429           | 438,254              | -                       | 180            | -                | -                   | -           | -              | 5,045,863          |
| Other long-term liabilities    | 230,012             | 366                  | 15,816                  | 8,049          | 17               | -                   | -           | 943            | 255,203            |
| <b>Total liabilities</b>       | <b>5,212,599</b>    | <b>511,562</b>       | <b>15,835</b>           | <b>31,835</b>  | <b>25</b>        | <b>43,957</b>       | <b>237</b>  | <b>47,714</b>  | <b>5,863,764</b>   |
| <b>Net assets:</b>             | <b>(3,591,799)</b>  | <b>(39,654)</b>      | <b>188,780</b>          | <b>17,246</b>  | <b>6,696</b>     | <b>43,635</b>       | <b>144</b>  | <b>148,789</b> | <b>(3,226,163)</b> |
| <i>Group's share</i>           | <i>0.33</i>         | <i>0.33</i>          | <i>0.50</i>             | <i>0.40</i>    | <i>0.50</i>      | <i>0.50</i>         | <i>0.56</i> | <i>0.40</i>    |                    |
| <b>Group's net asset share</b> | <b>-</b>            | <b>(13,217)</b>      | <b>94,390</b>           | <b>6,921</b>   | <b>3,348</b>     | <b>21,818</b>       | <b>81</b>   | <b>112,188</b> | <b>225,529</b>     |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 4 - INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD (Continued)

#### Condensed statement of financial position information (Continued):

| 1 January - 31 December 2021              | Boyabat<br>Elektrik | Aslancık<br>Elektrik | Kandilli<br>Gayrimenkul | Doğan<br>Burda | Ultra<br>Kablolu | DPP         | DMC           | Doğan<br>Yayıncılık <sup>(*)</sup> |
|---|---------------------|----------------------|-------------------------|----------------|------------------|-------------|---------------|------------------------------------|
| Revenue                                   | 398,933             | 166,318              | -                       | 89,535         | -                | 2,536       | 187,718       | 29,956                             |
| Operating profit/(loss)                   | 242,951             | 58,871               | 81,658                  | 13,768         | (78)             | 348         | 50,436        | (51)                               |
| Net financial (expense)/income            | (4,188,276)         | (370,739)            | -                       | (1,095)        | -                | (2)         | (133)         | (116)                              |
| Profit/(loss) before income tax           | (3,945,326)         | (311,868)            | 81,658                  | 12,677         | (78)             | 260         | 50,305        | (167)                              |
| <b>Total comprehensive income/(loss)</b>  | <b>(3,945,556)</b>  | <b>(281,651)</b>     | <b>65,304</b>           | <b>7,120</b>   | <b>(78)</b>      | <b>88</b>   | <b>35,271</b> | <b>500</b>                         |
| <i>Group's share</i>                      | <i>0.33</i>         | <i>0.33</i>          | <i>0.50</i>             | <i>0.40</i>    | <i>0.50</i>      | <i>0.56</i> | <i>0.40</i>   | <i>0.50</i>                        |
| <b>Group's net share on profit/(loss)</b> | <b>-</b>            | <b>(93,874)</b>      | <b>32,652</b>           | <b>4,014</b>   | <b>(39)</b>      | <b>215</b>  | <b>14,273</b> | <b>250</b>                         |
| 1 January - 31 December 2020              | Boyabat<br>Elektrik | Aslancık<br>Elektrik | Kandilli<br>Gayrimenkul | Doğan<br>Burda | Ultra<br>Kablolu | DPP         | DMC           | Doğan<br>Yayıncılık <sup>(*)</sup> |
| Revenue                                   | 213,946             | 154,709              | -                       | 61,548         | -                | 1,773       | 73,950        | 38,325                             |
| Operating profit/(loss)                   | 81,935              | 49,309               | 11,470                  | (4,447)        | (126)            | (48)        | 17,774        | (2,433)                            |
| Net financial income/(expense)            | (1,423,516)         | (120,532)            | -                       | (374)          | -                | (2)         | (22)          | (440)                              |
| Profit/(loss) before income tax           | (1,341,581)         | (71,223)             | 11,470                  | (4,811)        | (330)            | (50)        | 17,752        | 4,289                              |
| <b>Total comprehensive income/(loss)</b>  | <b>(1,341,627)</b>  | <b>(60,068)</b>      | <b>9,179</b>            | <b>(4,657)</b> | <b>(330)</b>     | <b>(50)</b> | <b>13,565</b> | <b>4,289</b>                       |
| <i>Group's share</i>                      | <i>0.33</i>         | <i>0.33</i>          | <i>0.50</i>             | <i>0.40</i>    | <i>0.50</i>      | <i>0.56</i> | <i>0.40</i>   | <i>0.50</i>                        |
| <b>Group's net share on profit/(loss)</b> | <b>-</b>            | <b>(20,021)</b>      | <b>4,590</b>            | <b>(1,626)</b> | <b>(165)</b>     | <b>(28)</b> | <b>5,475</b>  | <b>2,145</b>                       |

<sup>(\*)</sup> These amounts represent the condensed statement of total comprehensive income regarding the period until the "Closing" transaction of Doğan Yayıncılık.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 5 - SEGMENT REPORTING

##### a) External revenue

|   | 1 January -<br>31 December 2021 | 1 January -<br>31 December 2020 |
|---|---------------------------------|---------------------------------|
| Fuel retail <sup>(1)</sup>                    | 11,314,574                      | 7,784,043                       |
| Electricity production                        | 539,490                         | 335,203                         |
| Industry and trade <sup>(2)</sup>             | 2,662,657                       | 1,350,257                       |
| Automotive trade and marketing <sup>(3)</sup> | 1,120,740                       | 511,451                         |
| Financing and investment                      | 430,781                         | 225,972                         |
| Internet and entertainment                    | 711,747                         | 440,863                         |
| Real estate investments                       | 140,925                         | 122,699                         |
|   | <b>16,920,914</b>               | <b>10,770,488</b>               |

##### b) Profit/(loss) before income tax

|   | 1 January -<br>31 December 2021 | 1 January -<br>31 December 2020 |
|---|---------------------------------|---------------------------------|
| Fuel retail <sup>(4)</sup>                | 258,419                         | 24,954                          |
| Electricity production <sup>(5)</sup>     | 102,371                         | 215,568                         |
| Industry and trade                        | 72,743                          | 32,282                          |
| Automotive trade and marketing            | 27,367                          | 17,871                          |
| Financing and investment <sup>(6)</sup>   | 2,773,295                       | 1,027,192                       |
| Internet and entertainment <sup>(7)</sup> | 121,912                         | 307,989                         |
| Real estate investments <sup>(8)</sup>    | 490,069                         | 106,114                         |
|   | <b>3,846,176</b>                | <b>1,731,970</b>                |

(1) The significant portion of the increase is related to the fuel and autogas sales of Aytemiz Akaryakıt, a subsidiary of the Group.

(2) Since the acquisition of Sesa Ambalaj, the details of which is explained in detail in Note 3, was made on 14 September 2020, the revenues regarding industry and trade segment increased. Also, due to the acquisition of Profil Sanayi and 3S Kalp companies, the details of which are also explained in Note 3, the revenues of the Industry and Trade segment are increasing.

(3) It results from the increased sales together with the growing sales operations of Suzuki and Doğan Trend Otomotiv, the subsidiaries of the Group.

(4) The operating profit of Aytemiz Akaryakıt, one of the subsidiaries of the Group, has increased with the effect of financing and foreign exchange income.

(5) A significant portion of the loss before tax arises from the Group's share of the net period loss of Aslancık Elektrik, a joint venture of the Group.

(6) It is due to the decrease in the foreign exchange gain of the Group on foreign currency financial assets.

(7) As the details are explained in Note 32, the sales transactions of DMC and NetD Müzik were completed on 21 July 2020, and as a result of the sale, the profit on the sale of the subsidiaries amounting to TRY131,684 and the subsidiary fair value increase of TRY87,789 were recognised in the consolidated statement of profit or loss for the interim accounting period ended on 31 December 2020.

(8) It is related to the valuation of investment properties of D Gayrimenkul, a subsidiary of the Group.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 5 - SEGMENT REPORTING (Continued)

#### c) Segmental analysis for the period ended as of 1 January - 31 December 2021:

|  | Fuel<br>Retail    | Electricity<br>Production | Industry<br>and<br>Trade | Automotive<br>Trade and<br>Marketing | Financing and<br>Investment | Internet and<br>Entertainment | Real Estate<br>Investments | Inter<br>Segment<br>Elimination | Total             |
|--|-------------------|---------------------------|--------------------------|--------------------------------------|-----------------------------|-------------------------------|----------------------------|---------------------------------|-------------------|
| External revenue   | 11,314,574        | 539,490                   | 2,662,657                | 1,120,740                            | 430,781                     | 711,747                       | 140,925                    | -                               | 16,920,914        |
| Inter segment revenue  | 16,273            | 736                       | 12,845                   | 9,112                                | 36,652                      | 35                            | 13,212                     | (88,865)                        | -                 |
| <b>Total revenue</b>   | <b>11,330,847</b> | <b>540,226</b>            | <b>2,675,502</b>         | <b>1,129,852</b>                     | <b>467,433</b>              | <b>711,782</b>                | <b>154,137</b>             | <b>(88,865)</b>                 | <b>16,920,914</b> |
| Revenue  | 11,330,847        | 540,226                   | 2,675,502                | 1,129,852                            | 467,433                     | 711,782                       | 154,137                    | (88,865)                        | 16,920,914        |
| Cost of sales  | (10,584,934)      | (145,522)                 | (2,155,131)              | (950,270)                            | (195,808)                   | (379,282)                     | (94,882)                   | 23,638                          | (14,482,191)      |
| <b>Gross profit/(loss)</b>   | <b>745,913</b>    | <b>394,704</b>            | <b>520,371</b>           | <b>179,582</b>                       | <b>271,625</b>              | <b>332,500</b>                | <b>59,255</b>              | <b>(65,227)</b>                 | <b>2,438,723</b>  |
| General administrative expenses  | (54,177)          | (23,960)                  | (92,425)                 | (22,511)                             | (207,960)                   | (73,659)                      | (23,378)                   | 51,074                          | (446,996)         |
| Marketing expenses   | (302,363)         | (6,044)                   | (149,779)                | (83,556)                             | -                           | (149,386)                     | (8,887)                    | 11,243                          | (688,772)         |
| Share of gain/(loss)<br>on investments accounted<br>for by the equity method | -                 | (93,874)                  | -                        | -                                    | -                           | 18,713                        | 32,652                     | -                               | (42,509)          |
| Other income/(expenses) from<br>operating activities, net                    | (174,124)         | 40,430                    | 93,668                   | 21,121                               | 864,248                     | (1,664)                       | 112,944                    | (1,520)                         | 955,103           |
| Income/(expenses) from<br>investment activities, net                         | 45,636            | -                         | 1,164                    | (4,104)                              | 1,993,484                   | (63)                          | 319,828                    | -                               | 2,355,945         |
| Financial income/(expense), net  | (2,466)           | (208,885)                 | (300,256)                | (63,165)                             | (148,102)                   | (4,529)                       | (2,345)                    | 4,430                           | (725,318)         |
| <b>Profit/(loss) before taxation<br/>from continued operations</b>           | <b>258,419</b>    | <b>102,371</b>            | <b>72,743</b>            | <b>27,367</b>                        | <b>2,773,295</b>            | <b>121,912</b>                | <b>490,069</b>             | <b>-</b>                        | <b>3,846,176</b>  |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 5 - SEGMENT REPORTING (Continued)

#### c) Segmental analysis for the period ended as of 1 January - 31 December 2020:

|  | Fuel<br>Retail   | Electricity<br>Production | Industry<br>and<br>Trade | Automotive<br>Trade and<br>Marketing | Financing and<br>Investment | Internet and<br>Entertainment | Real Estate<br>Investments | Inter<br>Segment<br>Elimination | Total             |
|--|------------------|---------------------------|--------------------------|--------------------------------------|-----------------------------|-------------------------------|----------------------------|---------------------------------|-------------------|
| External revenue   | 7,784,043        | 335,203                   | 1,350,257                | 511,451                              | 225,972                     | 440,863                       | 122,699                    | -                               | 10,770,488        |
| Inter segment revenue  | 9,650            | 44                        | 1,320                    | 1,825                                | 40,201                      | -                             | 9,995                      | (63,035)                        | -                 |
| <b>Total revenue</b>   | <b>7,793,693</b> | <b>335,247</b>            | <b>1,351,577</b>         | <b>513,276</b>                       | <b>266,173</b>              | <b>440,863</b>                | <b>132,694</b>             | <b>(63,035)</b>                 | <b>10,770,488</b> |
| Revenue  | 7,793,693        | 335,247                   | 1,351,577                | 513,276                              | 266,173                     | 440,863                       | 132,694                    | (63,035)                        | 10,770,488        |
| Cost of sales  | (7,453,423)      | (89,097)                  | (1,117,234)              | (445,503)                            | (103,903)                   | (212,089)                     | (70,692)                   | 10,317                          | (9,481,624)       |
| <b>Gross profit/(loss)</b>   | <b>340,270</b>   | <b>246,150</b>            | <b>234,343</b>           | <b>67,773</b>                        | <b>162,270</b>              | <b>228,774</b>                | <b>62,002</b>              | <b>(52,718)</b>                 | <b>1,288,864</b>  |
| General administrative expenses  | (38,112)         | (15,950)                  | (60,850)                 | (15,524)                             | (135,491)                   | (53,131)                      | (15,947)                   | 44,471                          | (290,534)         |
| Marketing expenses   | (248,022)        | (3,101)                   | (66,485)                 | (33,227)                             | -                           | (82,183)                      | (8,049)                    | 8,554                           | (432,513)         |
| Share of gain/(loss)<br>on investments accounted<br>for by the equity method | -                | (20,021)                  | -                        | -                                    | -                           | 5,801                         | 4,590                      | -                               | (9,630)           |
| Other income/(expenses) from<br>operating activities, net                    | 69,778           | 43,878                    | 20,953                   | 10,767                               | 479,729                     | (7,744)                       | 49,067                     | (5,634)                         | 660,794           |
| Income/(expenses) from<br>investment activities, net                         | 16,218           | 40,205                    | (22,448)                 | 6,240                                | 567,261                     | 219,697                       | 14,964                     | (754)                           | 841,383           |
| Financial income/(expense), net  | (115,178)        | (75,593)                  | (73,231)                 | (18,158)                             | (46,577)                    | (3,225)                       | (513)                      | 6,081                           | (326,394)         |
| <b>Profit/(loss) before taxation<br/>from continued operations</b>           | <b>24,954</b>    | <b>215,568</b>            | <b>32,282</b>            | <b>17,871</b>                        | <b>1,027,192</b>            | <b>307,989</b>                | <b>106,114</b>             | <b>-</b>                        | <b>1,731,970</b>  |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 5 - SEGMENT REPORTING (Continued)

#### d) Segment assets

|   | 31 December 2021        | 31 December 2020        |
|---|-------------------------|-------------------------|
| <b>Total assets</b>   |                         |                         |
| Fuel retail   | 2,928,415               | 2,067,873               |
| Electricity production  | 1,752,190               | 1,839,273               |
| Industry and trade <sup>(1)</sup>                                       | 2,839,610               | 1,643,251               |
| Automotive trade and marketing <sup>(2)</sup>                           | 777,218                 | 300,743                 |
| Financing and investment <sup>(3)</sup>                                 | 16,959,306              | 11,735,642              |
| Internet and entertainment <sup>(4)</sup>                               | 975,787                 | 589,600                 |
| Real estate investments <sup>(5)</sup>                                  | 2,396,777               | 1,828,540               |
| <b>Total</b>  | <b>28,629,303</b>       | <b>20,004,922</b>       |
| Less: Segment elimination <sup>(6)</sup>                                | (6,334,565)             | (6,311,719)             |
| <b>Total assets per consolidated financial statements</b>               | <b>22,294,738</b>       | <b>13,693,203</b>       |
| <b>Equity</b>   | <b>31 December 2021</b> | <b>31 December 2020</b> |
| Fuel retail   | 118,922                 | (103,862)               |
| Electricity production  | 410,736                 | 430,620                 |
| Industry and trade  | 164,449                 | 159,257                 |
| Automotive trade and marketing <sup>(7)</sup>                           | (2,276)                 | (27,190)                |
| Financing and investment <sup>(8)</sup>                                 | 16,494,770              | 12,824,898              |
| Internet and entertainment  | 331,170                 | 152,121                 |
| Real estate investments <sup>(9)</sup>                                  | 1,045,047               | 437,481                 |
| <b>Total</b>  | <b>18,562,818</b>       | <b>13,873,325</b>       |
| Less: Segment elimination <sup>(10)</sup>                               | (5,657,682)             | (5,433,336)             |
| <b>Total shareholders' equity per consolidated financial statements</b> | <b>14,319,680</b>       | <b>9,378,237</b>        |
| Non-controlling interests   | 1,414,544               | 938,248                 |
| <b>Equity attributable to equity holders of the parent company</b>      | <b>12,905,136</b>       | <b>8,439,989</b>        |

(1) The increase in the total assets of the industry and trade segment is mainly due to the stock increases of Doğan Dış Ticaret and Çelik Halat, one of the subsidiaries of the Group, and the increases in trade receivables. In addition, segment assets increased due to the acquisition of Profil Sanayi and 3S Kalp companies, the details of which are disclosed in Note 3.

(2) It consists of the increase in trade receivables, inventories, prepaid expenses, cash and cash equivalents together with the growing sales operations of Suzuki and Doğan Trend Otomotiv, the subsidiaries of the Group.

(3) Total assets of the finance and investment segment increased mainly due to the exchange rate effects of monetary assets held in foreign currency.

(4) The significant portion of the increase is related to the acquisition of Doğan Yayıncılık, the details of which are disclosed in Note 3.

(5) It has increased due to the value increases of the Group's investment properties, the details of which are disclosed in Note 14.

(6) Segment elimination amount consists of the elimination of mutual debt and credit balances between the Group's operating segments.

(7) The paid-in capital for these companies was disregarded because of elimination of capital. Considering the paid-in capital, the equities of these operation groups represent positive amounts.

(8) The significant portion of the increase is related to the foreign exchange gain of Doğan Holding from its foreign currency financial assets.

(9) It is related to the valuation of investment properties of D Gayrimenkul, a subsidiary of the Group.

(10) The amount of segment elimination represents the reciprocal elimination of affiliate amounts with adjusted capital amounts within total equity amount of each business segment.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 5 - SEGMENT REPORTING (Continued)

e) **Purchase of property, plant and equipment, intangible assets and investment properties and depreciation and amortization charge**

|   | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|---|------------------------------------|------------------------------------|
| <b><u>Purchases</u></b>                       |                                    |                                    |
| Fuel retail <sup>(1)</sup>                    | 246,238                            | 161,549                            |
| Electricity production <sup>(2)</sup>         | 89,384                             | 493,447                            |
| Industry and trade <sup>(3)</sup>             | 123,216                            | 34,906                             |
| Automotive trade and marketing <sup>(4)</sup> | 296,920                            | 72,412                             |
| Financing and investment                      | 23,417                             | 12,147                             |
| Internet and entertainment                    | 72,234                             | 90,313                             |
| Real estate investments <sup>(5)</sup>        | 35,039                             | 17,880                             |
| <b>Total</b>                                  | <b>886,448</b>                     | <b>882,654</b>                     |
|   | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
| <b><u>Depreciation and amortization</u></b>   |                                    |                                    |
| Fuel retail                                   | 154,942                            | 159,080                            |
| Electricity production <sup>(2)</sup>         | 62,445                             | 34,579                             |
| Industry and trade <sup>(3)</sup>             | 79,155                             | 39,158                             |
| Automotive trade and marketing <sup>(4)</sup> | 31,685                             | 9,336                              |
| Financing and investment                      | 19,658                             | 25,811                             |
| Internet and entertainment                    | 52,265                             | 59,175                             |
| Real estate investments                       | 11,590                             | 8,704                              |
| <b>Total</b>                                  | <b>411,740</b>                     | <b>335,843</b>                     |

(1) There was an increase due to the right of use assets regarding building leases and dealership agreements of the Group.

(2) It is due to the capitalization related to power plant investment of the Group.

(3) The significant portion of the increase is related to the acquisition of subsidiaries, the details of which are disclosed in Note 3.

(4) There was an increase due to the vehicle purchases of the Group.

(5) There was an increase due to the Group's construction in progress, land lease agreements and right of use assets in the current period.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 6 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 31 December 2021 and 31 December 2020 are as follows:

|                     | 31 December 2021 |                  |                  | 31 December 2020 |                  |                  |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                     | Finance          | Non-finance      | Total            | Finance          | Non-finance      | Total            |
| Cash                | 5                | 5,469            | 5,474            | 12               | 2,520            | 2,532            |
| Banks               |                  |                  |                  |                  |                  |                  |
| - Demand deposits   | 65,474           | 2,690,564        | 2,756,038        | 2,315            | 551,981          | 554,296          |
| - Time deposits     | 151,568          | 1,717,407        | 1,868,975        | 208,078          | 2,130,189        | 2,338,267        |
| Other liquid assets | -                | 15,640           | 15,640           | -                | 10,852           | 10,852           |
|                     | <b>217,047</b>   | <b>4,429,080</b> | <b>4,646,127</b> | <b>210,405</b>   | <b>2,695,542</b> | <b>2,905,947</b> |

As of 31 December 2021, the rates of time deposits in USD, EUR and TRY of the companies operating in the non-financial sectors of the Group are 0.01% and 5.05%, respectively (31 December 2020: 0.05% and 3.60%), ranging from 0.01% to 3.50% (31 December 2020: 2.20% to 3.10%) 11.00% to 22% (31 December 2020: 13.57% to 17.75%) and maturity is less than 3 months.

As of 31 December 2021, the rates of time deposits in USD and TRY of companies operating in the financial sector of the Group are 0.01% and 0.60% (31 December 2020: 2%, 12.50% and 19.70%, respectively. It varies between 70 (31 December 2020: 15.50% to 18%) and its maturity is less than 3 months.

As of 31 December 2021, TRY15,640 (31 December 2020: TRY10,852) of other cash and cash equivalents consists of credit card slip receivables. As of 31 December 2021, blocked deposits amount to TRY584 (31 December 2020: TRY832).

The cash and cash equivalents shown in the consolidated cash flow statements as of 31 December 2021, 31 December 2020 and 31 December 2019 are shown below:

|                                  | 31 December 2021 | 31 December 2020 | 31 December 2019 |
|----------------------------------|------------------|------------------|------------------|
| Cash and cash equivalents        | 4,646,127        | 2,905,947        | 3,278,832        |
| Accrued interest (-)             | (8,156)          | (1,566)          | (2,074)          |
| <b>Cash and cash equivalents</b> | <b>4,637,971</b> | <b>2,904,381</b> | <b>3,276,758</b> |

|  | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Central Bank of the Republic of Turkey account | 130,280          | -                |
| - Required reserves <sup>(*)</sup>             | 129,723          | -                |
| - Free accounts                                | 557              | -                |
|  | <b>130,280</b>   | <b>-</b>         |

(\*) Banks established in Turkey or operating in Turkey by opening branches are subject to the Central Bank's Communiqué on Required Reserves numbered 2013/15. The amount to be found as a result of deducting the deductible items specified in the Communiqué from the total domestic liabilities of the banks and the deposits/borrowing funds they accept from Turkey on behalf of their branches abroad constitute their liabilities subject to reserve requirements. According to the CBRT's "Communiqué on Required Reserves", banks operating in Turkey have rates varying between 3% and 8% for Turkish currency deposits and liabilities as of the balance sheet date, and for foreign currency deposits and other liabilities in foreign currency. They establish required reserves at rates between 5% and 25%, depending on their maturities, and between 22% and 26% for Gold liabilities, depending on the maturity structure of the deposits.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 7 - FINANCIAL INVESTMENTS

##### a) Short-term financial investments

The Group's financial assets classified as short-term financial investments are as follows:

|  | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Financial assets carried at fair value through other comprehensive income <sup>(1)</sup> |                  |                  |
| - Private sector and government bills and bonds  | 2,783,905        | 2,042,772        |
| - Investment funds <sup>(2) (3)</sup>  | 2,201,976        | 357,174          |
| - Private sector stocks  | 14,733           | 21,929           |
| Financial assets carried at fair value through profit or loss                            |                  |                  |
| - Investment funds <sup>(2) (3)</sup>  | 75,701           | -                |
| - Private sector stocks  | -                | 2,148            |
|  | <b>5,076,315</b> | <b>2,424,023</b> |

<sup>(1)</sup> 17% of financial investments consist of government and 83% private sector bonds and bills (31 December 2020: 32% government and 68% private sector).

<sup>(2)</sup> TRY75,701 portion of the aforementioned amount (31 December 2020: None) represents the "Istanbul Portfolio Doğan Hedge Fund". Within the scope of the prospectus approved on 18 December 2020 regarding the issuance of participation shares, Istanbul Portföy Yönetimi A.Ş. and "Istanbul Portfolio Doğan Hedge Private Fund" affiliated to the free umbrella fund was established. In accordance with the Capital Markets Law No. 6362, the fund is established to operate the portfolio consisting of the cash collected in return for the participation share of the savers and the assets and rights determined in the prospectus in accordance with the fiduciary ownership principles, the shares of which are issued under the umbrella fund, and also unincorporated assets. represents. Related assets consist of assets whose fair value changes are recognized in the consolidated statement of profit or loss.

<sup>(3)</sup> A significant portion of mutual funds in short-term financial investments consists of money market and stock funds and various structured finance instruments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

## NOTE 7 - FINANCIAL INVESTMENTS (Continued)

## a) Short-term financial investments (Continued)

The movements of short-term financial investments for the related period are as follows:

|  | 2021             | 2020             |
|--|------------------|------------------|
| <b>1 January</b>   | <b>2,424,023</b> | <b>1,177,726</b> |
| Purchase of financial assets                                     | 3,220,489        | 1,869,982        |
| Change in fair value   | (111,419)        | 21,604           |
| <i>Recognized in the statement of income</i>                     | -                | 1,040            |
| <i>Recognized in the statement of other comprehensive income</i> | (111,419)        | 20,564           |
| Financial investment disposal                                    | (1,546,890)      | (877,540)        |
| Interest accrual   | 146,162          | 12,530           |
| Purchase of subsidiary (Note 3)                                  | -                | 1,479            |
| Currency translation differences                                 | 943,950          | 218,242          |
| <b>31 December</b>   | <b>5,076,315</b> | <b>2,424,023</b> |

## b) Long-term financial investments

The Group's financial assets classified as long-term financial investments are as follows:

|  | 31 December 2021 |       | 31 December 2020 |       |
|--|------------------|-------|------------------|-------|
|  | TRY              | (%)   | TRY              | (%)   |
| Financial assets carried at fair value through other comprehensive income <sup>(1)</sup> |                  |       |                  |       |
| <i>Lexin Nassau L.P.</i> <sup>(2)</sup>  | 225,491          | 22.15 | 121,674          | 22.15 |
| Financial assets carried at fair value through profit or loss <sup>(1)</sup>             |                  |       |                  |       |
| <i>Mediterra Capital Partners I LP</i>   | 21,807           | 1.88  | 10,314           | 1.88  |
| <i>Insider SG PTE Limited</i>  | 64,713           | 3.07  | 36,604           | 3.07  |
| <i>Mediterra Capital Partners II LP</i>  | 41,043           | 2.23  | 13,429           | 2.23  |
| <i>Düş Yeri Bilişim Teknolojileri ve Animasyon A.Ş.</i>                                  | 8,437            | 3.75  | 8,437            | 3.75  |
| <i>Collective Spark Fund BV</i>  | 3,439            | 1.23  | 1,631            | 1.23  |
|  | <b>364,930</b>   |       | <b>192,089</b>   |       |

<sup>(1)</sup> As the following situations are not present, the Group does not carry out any significant activities on the subsidiary:

- Being represented by the board of directors or similar executive body of the invested entity,
- Participating in the entity's policy determination processes including dividends or other distribution decisions,
- Carrying out important transactions between the investor and invested entities,
- Providing know-how required for business operations or administrative officer exchange between entities.

<sup>(2)</sup> Nassau L.P. is included in the long-term investments of M Investment, a subsidiary of the Group. The fair value of related investment is accounted for as financial asset in the other comprehensive income statement and the fair value of the asset is TRY225,491 as of 31 December 2021. The foreign currency translation difference amounting to TRY87,230 has been accounted in the other comprehensive income statement for the interim period ended 31 December 2021.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 7 - FINANCIAL INVESTMENTS (Continued)

##### b) Long-term financial investments (Continued)

The movements of long-term financial investments for the related period are as follows:

|  | 2021           | 2020           |
|--|----------------|----------------|
| <b>1 January</b>                             | <b>192,089</b> | <b>202,845</b> |
| Currency translation differences             | 87,230         | 31,066         |
| Change in fair value                         | 67,412         | (44,954)       |
| <i>Recognized in equity</i>                  | 10,380         | (73,437)       |
| <i>Recognized in the statement of income</i> | 57,032         | 28,483         |
| Purchase of financial assets                 | 11,991         | 4,383          |
| Capital increase                             | 6,208          | 6,156          |
| Financial investment disposal                | -              | (7,407)        |
| <b>31 December</b>                           | <b>364,930</b> | <b>192,089</b> |

#### NOTE 8 - SHORT AND LONG-TERM FINANCIAL BORROWINGS

##### Financial Borrowings

The details of financial borrowings at 31 December 2021 and 31 December 2020 are as follows

|                                | 31 December 2021 | 31 December 2020 |
|--------------------------------|------------------|------------------|
| <b>Short-term borrowings:</b>  |                  |                  |
| Short-term bank borrowings     | 2,232,362        | 1,679,820        |
| Financial bonds <sup>(1)</sup> | 270,161          | 21,570           |
| <b>Total</b>                   | <b>2,502,523</b> | <b>1,701,390</b> |

<sup>(1)</sup> The Group's subsidiary, Doruk Faktoring, issued and sold discounted financial bonds to qualified investors, without a public offering on 29 January 2021. The nominal value of the bonds amounts to TRY80,000,000 (exact) with the maturity of 181 days. The bonds' simple annual interest rate is 19.95% and the annual compound interest rate is 20.96%. The financing bond issued by Doruk Faktoring were redeemed on 29 July 2021. Doruk Faktoring issued and sold discounted financial bonds to qualified investors without public offering on 29 July 2021. The bonds are in the nominal amount of TRY82,000,000 (exact) and are with 181-day maturity. Their annual simple interest rate is 20.75% and annual compound interest rate is 21.84%. The financing bond issued by Doruk Faktoring will be redeemed on 26 January 2022. Also Doruk Faktoring issued and sold discounted financial bonds to qualified investors without public offering on 26 January 2022. The bonds are in the nominal amount of TRY90,000,000 (exact) and are with 93-day maturity. Their annual simple interest rate is 23.95% and annual compound interest rate is 26.18%. The financing bond issued by Doruk Faktoring will be redeemed on 29 April 2022.

The Group's subsidiary, Suzuki, issued 40,000,000 (exact) Turkish Lira nominal amount, 364 days maturity, annual simple interest rate of 21.03% and compound annual interest rate of 22.74% with floating coupon financing bills on 7 May 2021. The first coupon payment was made on 6 August 2021, the second coupon payment was made on 5 November 2021 and the third coupon payment was made on 4 February 2022. The financial bonds issued will be redeemed on 6 May 2022. Also, on 12 January 2022, Suzuki realized the issuance and sale of discounted financing bills with a nominal amount of 45,000,000 (exact) Turkish Lira with a maturity of 364 days, an annual simple interest rate of 24% and a compound annual interest rate of 26.25%, without public offering to qualified investors. The financing bond issued by Suzuki will be redeemed on 13 April 2022.

The Group's subsidiary D Yatırım Bank has issued and sold discounted financing bills with a nominal amount of 150,000,000 (exact) Turkish Lira with a maturity of 42 days and an annual simple interest rate of 17.00% to qualified investors without public offering. The said financing bills were redeemed on 20 January 2022. In addition, D Yatırım Bank issuing and selling discounted financial bonds with a nominal amount of 175,000,000 (exact) Turkish Lira with a maturity of 89 days, annual simple interest rate of 22.50% and compound annual interest rate of 24.49%, on 20 January 2022, without public offering, to qualified investors. The financing bond issued by D Yatırım Bank will be redeemed on 19 April 2022.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 8 - SHORT AND LONG-TERM FINANCIAL BORROWINGS (Continued)

| Short-term portions of long-term borrowings:     | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Short-term portions of long-term bank borrowings | 651,787          | 88,508           |
| Lease borrowings from non-related parties        | 55,301           | 41,463           |
| Lease borrowings from related parties            | 9,574            | 5,855            |
| <b>Total</b>                                     | <b>716,662</b>   | <b>135,826</b>   |

| Long-term borrowings:                     | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| Long-term bank borrowings                 | 1,207,435        | 896,923          |
| Lease borrowings from non-related parties | 217,841          | 149,974          |
| Lease borrowings from related parties     | 12,839           | 14,148           |
| <b>Total</b>                              | <b>1,438,115</b> | <b>1,061,045</b> |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 8 - SHORT AND LONG-TERM FINANCIAL BORROWINGS (Continued)

#### a) Bank borrowings and financial bonds

Details of the bank borrowings and financial bonds as of 31 December 2021 and 31 December 2020 are as follows:

|   | 31 December 2021               |                      |                  | 31 December 2020               |                      |                  |
|---|--------------------------------|----------------------|------------------|--------------------------------|----------------------|------------------|
|   | Interest rate<br>per annum (%) | Original<br>currency | TRY              | Interest rate<br>per annum (%) | Original<br>currency | TRY              |
| <b>Short-term bank borrowings:</b>                          |                                |                      |                  |                                |                      |                  |
| TRY denominated bank borrowings                             | 9.27 - 30.00                   | 2,168,654            | 2,168,654        | 3.60 - 20.50                   | 1,628,175            | 1,628,175        |
| USD denominated bank borrowings                             | -                              | -                    | -                | 5.45 - 5.45                    | 2,005                | 14,718           |
| EUR denominated bank borrowings                             | 0.60 - 6.50                    | 4,215                | 63,708           | 0.60 - 4.25                    | 4,099                | 36,927           |
| <b>Subtotal</b>   |                                |                      | <b>2,232,362</b> |                                |                      | <b>1,679,820</b> |
| <b>Short-term financial bonds:</b>                          |                                |                      |                  |                                |                      |                  |
| TRY denominated financial bonds                             |                                | 270,161              | 270,161          |                                | 21,570               | 21,570           |
| <b>Subtotal</b>   |                                |                      | <b>2,502,523</b> |                                |                      | <b>1,701,390</b> |
| <b>Short-term portion of<br/>long-term bank borrowings:</b> |                                |                      |                  |                                |                      |                  |
| TRY denominated bank borrowings                             | 9.30 - 24.75                   | 494,124              | 494,124          | 8.37 - 14.75                   | 59,276               | 59,276           |
| USD denominated bank borrowings                             | 1.22 - 1.95                    | 455                  | 6,078            | -                              | -                    | -                |
| EUR denominated bank borrowings                             | 0.65 - 4.65                    | 10,030               | 151,585          | 0.65 - 4.65                    | 3,245                | 29,232           |
| <b>Subtotal</b>   |                                |                      | <b>651,787</b>   |                                |                      | <b>88,508</b>    |
| <b>Total short-term bank borrowings and financial bonds</b> |                                |                      | <b>3,154,310</b> |                                |                      | <b>1,789,898</b> |
| <b>Long term bank borrowings:</b>                           |                                |                      |                  |                                |                      |                  |
| TRY denominated bank borrowings                             | 9.30 - 24.75                   | 186,906              | 186,906          | 8.37 - 14.75                   | 663,765              | 663,765          |
| USD denominated bank borrowings                             | 1.22 - 1.95                    | 25,065               | 334,697          | -                              | -                    | -                |
| EUR denominated bank borrowings                             | 0.65 - 4.65                    | 45,378               | 685,832          | 0.65 - 4.65                    | 25,884               | 233,158          |
| <b>Total long-term bank borrowings</b>                      |                                |                      | <b>1,207,435</b> |                                |                      | <b>896,923</b>   |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 8 - SHORT AND LONG-TERM FINANCIAL BORROWINGS (Continued)

##### b) Lease borrowings

Details of the lease borrowings as of 31 December 2021 and 31 December 2020 are as follows:

|  | 31 December 2021               |                      |                | 31 December 2020               |                      |                |
|--|--------------------------------|----------------------|----------------|--------------------------------|----------------------|----------------|
|  | Interest rate<br>per annum (%) | Original<br>currency | TRY            | Interest rate<br>per annum (%) | Original<br>currency | TRY            |
| <b>Short-term portion of long-term lease borrowings:</b>   |                                |                      |                |                                |                      |                |
| TRY denominated lease borrowings from related parties      | 11.16 - 26.15                  | 9,574                | 9,574          | 11.16 - 26.15                  | 5,855                | 5,855          |
| TRY denominated lease borrowings from non- related parties | 11.16 - 26.15                  | 55,291               | 55,291         | 11.16 - 26.15                  | 39,518               | 39,518         |
| USD denominated lease borrowings from non-related parties  | 12.41                          | 1                    | 10             | 12.41                          | 265                  | 1,945          |
| <b>Subtotal</b>  |                                |                      | <b>64,875</b>  |                                |                      | <b>47,318</b>  |
| <b>Total short-term lease borrowings</b>                   |                                |                      | <b>64,875</b>  |                                |                      | <b>47,318</b>  |
| <b>Long-term lease borrowings:</b>                         |                                |                      |                |                                |                      |                |
| TRY denominated lease borrowings from related parties      | 11.16 - 26.15                  | 12,839               | 12,839         | 11.16 - 26.15                  | 14,148               | 14,148         |
| TRY denominated lease borrowings from non- related parties | 11.16 - 26.15                  | 217,827              | 217,827        | 11.16 - 26.15                  | 129,891              | 129,891        |
| USD denominated lease borrowings from non-related parties  | 12.41                          | 1                    | 14             | 12.41                          | 2,736                | 20,083         |
| <b>Total long-term lease borrowings</b>                    |                                |                      | <b>230,680</b> |                                |                      | <b>164,122</b> |



# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 8 - SHORT AND LONG-TERM FINANCIAL BORROWINGS (Continued)

The movement table of the lease borrowings is as follows:

|                                      | 31 December 2021 | 31 December 2020 |
|--------------------------------------|------------------|------------------|
| <b>Beginning of the period</b>       | <b>211,440</b>   | <b>232,708</b>   |
| Additions                            | 132,858          | 40,242           |
| Payments                             | (96,550)         | (106,872)        |
| Interest expense (Note 31)           | 37,990           | 31,841           |
| Foreign exchange gains/(losses), net | (6,083)          | 9,843            |
| Early termination                    | -                | (17)             |
| Remeasurement                        | 3,041            | 3,111            |
| Acquisition of subsidiary (Note 3)   | 12,859           | 606              |
| Disposal of subsidiary (Note 32)     | -                | (22)             |
|                                      | <b>295,555</b>   | <b>211,440</b>   |

The reconciliation of the net financial borrowings as of 31 December 2021 and 31 December 2020 are as follows:

|   | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| Cash and cash equivalents (Note 6)        | 4,646,127        | 2,905,947        |
| Short-term borrowings                     | (3,154,310)      | (1,789,898)      |
| Long-term borrowings                      | (1,207,435)      | (896,923)        |
| Short term lease borrowings               | (64,875)         | (47,318)         |
| Long term lease borrowings                | (230,680)        | (164,122)        |
| <b>Net financial assets/(liabilities)</b> | <b>(11,173)</b>  | <b>7,686</b>     |

|                                    | Short and long term borrowings | Lease borrowings | Cash and cash equivalents | Net financial liability |
|------------------------------------|--------------------------------|------------------|---------------------------|-------------------------|
| <b>1 January 2021</b>              | <b>2,686,821</b>               | <b>211,440</b>   | <b>(2,905,947)</b>        | <b>(7,686)</b>          |
| Cash flow effect                   | 1,172,913                      | 39,349           | (721,404)                 | 490,858                 |
| Currency translation adjustments   | 381,192                        | (6,083)          | (1,016,019)               | (640,910)               |
| Interest accrual, net              | 81,931                         | 37,990           | 8,156                     | 128,077                 |
| Acquisition of subsidiary (Note 3) | 38,888                         | 12,859           | (10,913)                  | 40,834                  |

|                         |                  |                |                    |               |
|-------------------------|------------------|----------------|--------------------|---------------|
| <b>31 December 2021</b> | <b>4,361,745</b> | <b>295,555</b> | <b>(4,646,127)</b> | <b>11,173</b> |
|-------------------------|------------------|----------------|--------------------|---------------|

|                                  | Short and long term borrowings | Lease borrowings | Cash and cash equivalents | Net financial liability |
|----------------------------------|--------------------------------|------------------|---------------------------|-------------------------|
| <b>1 January 2020</b>            | <b>2,218,764</b>               | <b>232,708</b>   | <b>(3,278,832)</b>        | <b>(827,360)</b>        |
| Cash flow effect                 | 301,243                        | (63,536)         | 958,788                   | 1,196,495               |
| Currency translation adjustments | 64,264                         | 9,843            | (487,491)                 | (413,384)               |
| Interest accrual, net            | 92,520                         | 31,841           | 1,566                     | 125,927                 |
| Acquisition of subsidiary        | 10,030                         | 606              | (104,022)                 | (93,386)                |
| Disposal of subsidiary           | -                              | (22)             | 4,044                     | 4,022                   |

|                         |                  |                |                    |                |
|-------------------------|------------------|----------------|--------------------|----------------|
| <b>31 December 2020</b> | <b>2,686,821</b> | <b>211,440</b> | <b>(2,905,947)</b> | <b>(7,686)</b> |
|-------------------------|------------------|----------------|--------------------|----------------|

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 8 - SHORT AND LONG-TERM FINANCIAL BORROWINGS (Continued)

The redemption schedule of long-term bank borrowings as of 31 December 2021 and 31 December 2020 is as follows:

|                | 31 December 2021 | 31 December 2020 |
|----------------|------------------|------------------|
| 2022           | -                | 190,618          |
| 2023           | 189,178          | 429,523          |
| 2024           | 345,752          | 221,388          |
| 2025 and after | 672,505          | 55,394           |
| <b>Total</b>   | <b>1,207,435</b> | <b>896,923</b>   |

Carrying value of the financial liabilities is considered to be same with the fair value since discount effect is not material. The Group borrows loans on fixed and floating interest rates.

Allocation of borrowings with fixed and floating interest rates of the Group excluding financial liabilities to be paid to the suppliers as of 31 December 2021 and 31 December 2020 are as follows:

|   | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| Financial borrowings with fixed interest rates (Note 36)    | 4,215,349        | 2,795,505        |
| Financial borrowings with floating interest rates (Note 36) | 441,951          | 102,756          |
| <b>Total</b>  | <b>4,657,300</b> | <b>2,898,261</b> |

#### NOTE 9 - TRADE RECEIVABLES AND PAYABLES

##### Short-term trade receivables from non- related parties

|  | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Trade receivables  | 1,739,572        | 955,285          |
| Notes and cheques receivable                                     | 172,621          | 170,697          |
| Income accruals  | 1,782            | 432              |
| <b>Total</b>   | <b>1,913,975</b> | <b>1,126,414</b> |
| Less: Unrealized financial income due to sales with maturity (-) | (8,162)          | (3,816)          |
| Less: Provision for expected credit losses (-)                   | (59)             | (522)            |
| Less: Provision for doubtful receivables (-)                     | (80,279)         | (81,420)         |
| <b>Total</b>   | <b>1,825,475</b> | <b>1,040,656</b> |

The average maturity of not overdue trade receivables of the Group that are followed up by Doruk Faktoring is between 27 to 83 days as of the statement of financial position date (31 December 2020: 52 - 84 days).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

##### Long-term trade receivables from non- related parties

|  | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Notes and cheques receivable <sup>(1)</sup>            | 21,169           | 18,375           |
| Unrealized financial income due to sales with maturity | (6,427)          | (3,161)          |
|  | <b>14,742</b>    | <b>15,214</b>    |

<sup>(1)</sup> Long term notes receivables are mainly consisted of commercial activities related to fuel sales and financing services.

The movements of provisions for doubtful receivables for the related period are as follows:

|   | 2021            | 2020            |
|---|-----------------|-----------------|
| <b>1 January</b>  | <b>(81,942)</b> | <b>(72,260)</b> |
| Provision from continued operations in the current period (Note 29) | (7,580)         | (13,785)        |
| Expected credit loss, net   | 464             | 353             |
| Written off uncollectible receivables <sup>(2)</sup>                | 10,784          | 6,697           |
| Collections   | 1,474           | 1,019           |
| Acquisition of subsidiary   | (3,538)         | (6,580)         |
| Disposal of subsidiary  | -               | 2,614           |
| <b>31 December</b>  | <b>(80,338)</b> | <b>(81,942)</b> |

<sup>(2)</sup> The Group has decided to derecognise the receivables recorded as doubtful within prior periods, in accordance with the provisional article 7 of TCC, which are from the companies extracted from trade registry and the companies that have completed ordinary liquidation process and the companies dissolved by commercial courts' decision and the companies dissolved by bankruptcy estate and also determined as bad debts, from the statement of financial position.

##### *Guarantees for trade receivables*

As of 31 December 2021, although trade receivables amounting to TRY179,522 (31 December 2020: TRY102,994), were overdue, they were not assessed as doubtful receivable (Note 36). The Group does not foresee any collection risk regarding to overdue receivables by considering sector dynamics and circumstances as of the reporting date (Note 2).

As of 31 December 2021, the Group has collateral, pledge, mortgage and surety amounting to TRY1,840,217 (31 December 2020: TRY1,055,870) for trade receivables amounting to TRY1,012,410 (31 December 2020: TRY627,611) from non-related parties (Note 36).

##### Short term trade payables to non-related parties

|   | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| Trade payables  | 1,855,825        | 684,899          |
| Provisions for liabilities and expenses                             | 36,257           | 25,236           |
| Cheques and notes payables  | 24,148           | 766              |
| Less: Unrealized finance expense due to purchases with maturity (-) | (2,960)          | (1,311)          |
| <b>Total</b>  | <b>1,913,270</b> | <b>709,590</b>   |

The average maturity of trade payables is between 27 to 60 days as of 31 December 2021 (31 December 2020: 40 to 87 days).

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 10 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

|   | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| Short-term receivables from finance sector operations | 1,203,554        | 736,330          |
| Long-term receivables from finance sector operations  | 14,304           | 17,819           |
|   | <b>1,217,858</b> | <b>754,149</b>   |

The breakdown of receivables from finance sector operations is as follows:

| 31 December 2021                  | Corporate<br>and commercial<br>loans | Financial<br>loans | Credit card<br>receivables | Financial<br>lease<br>receivables | Factoring<br>receivables | Total            |
|-----------------------------------|--------------------------------------|--------------------|----------------------------|-----------------------------------|--------------------------|------------------|
| Level 1                           | 200,489                              | 21,902             | -                          | -                                 | 990,298                  | 1,212,689        |
| Level 2                           | -                                    | 1,132              | -                          | -                                 | 3,450                    | 4,582            |
| Level 3                           | -                                    | 757                | -                          | -                                 | 41,186                   | 41,943           |
| <b>Gross</b>                      | <b>200,489</b>                       | <b>23,791</b>      | <b>-</b>                   | <b>-</b>                          | <b>1,034,934</b>         | <b>1,259,214</b> |
| Level 1 and 2                     | -                                    | -                  | -                          | -                                 | -                        | -                |
| Level 3                           | -                                    | (170)              | -                          | -                                 | (41,186)                 | (41,356)         |
| <b>Expected credit losses (-)</b> | <b>-</b>                             | <b>(170)</b>       | <b>-</b>                   | <b>-</b>                          | <b>(41,186)</b>          | <b>(41,356)</b>  |
| <b>Net</b>                        | <b>200,489</b>                       | <b>23,621</b>      | <b>-</b>                   | <b>-</b>                          | <b>993,748</b>           | <b>1,217,858</b> |

  

| 31 December 2020                  | Corporate<br>and commercial<br>loans | Financial<br>loans | Credit card<br>receivables | Financial<br>lease<br>receivables | Factoring<br>receivables | Total           |
|-----------------------------------|--------------------------------------|--------------------|----------------------------|-----------------------------------|--------------------------|-----------------|
| Level 1                           | -                                    | 22,247             | -                          | -                                 | 718,097                  | 740,344         |
| Level 2                           | -                                    | 4,487              | -                          | -                                 | 1,422                    | 5,909           |
| Level 3                           | -                                    | 7,935              | -                          | -                                 | 33,969                   | 41,904          |
| <b>Gross</b>                      | <b>-</b>                             | <b>34,669</b>      | <b>-</b>                   | <b>-</b>                          | <b>753,488</b>           | <b>788,157</b>  |
| Level 1 and 2                     | -                                    | -                  | -                          | -                                 | -                        | -               |
| Level 3                           | -                                    | (39)               | -                          | -                                 | (33,969)                 | (34,008)        |
| <b>Expected credit losses (-)</b> | <b>-</b>                             | <b>(39)</b>        | <b>-</b>                   | <b>-</b>                          | <b>(33,969)</b>          | <b>(34,008)</b> |
| <b>Net</b>                        | <b>-</b>                             | <b>34,630</b>      | <b>-</b>                   | <b>-</b>                          | <b>719,519</b>           | <b>754,149</b>  |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 10 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS (Continued)

The movement table of expected credit losses is as follows:

| 2021                                 | Corporate<br>and commercial<br>loans | Financial<br>loans | Credit card<br>receivables | Financial<br>lease<br>receivables | Factoring<br>receivables | Total         |
|--------------------------------------|--------------------------------------|--------------------|----------------------------|-----------------------------------|--------------------------|---------------|
| <b>1 January</b>                     | -                                    | <b>39</b>          | -                          | -                                 | <b>33,969</b>            | <b>34,008</b> |
| Impact of business combinations      | -                                    | -                  | -                          | -                                 | -                        | -             |
| Increase during the period (Note 29) | -                                    | 732                | -                          | -                                 | 8,083                    | 8,815         |
| Collections                          | -                                    | (234)              | -                          | -                                 | (690)                    | (924)         |
| Written off receivables              | -                                    | (367)              | -                          | -                                 | (176)                    | (543)         |
| Disposals due to portfolio sale      | -                                    | -                  | -                          | -                                 | -                        | -             |
| Currency translation differences     | -                                    | -                  | -                          | -                                 | -                        | -             |
| <b>31 December</b>                   | -                                    | <b>170</b>         | -                          | -                                 | <b>41,186</b>            | <b>41,356</b> |

| 2020                                 | Corporate<br>and commercial<br>loans | Financial<br>loans | Credit card<br>receivables | Financial<br>lease<br>receivables | Factoring<br>receivables | Total         |
|--------------------------------------|--------------------------------------|--------------------|----------------------------|-----------------------------------|--------------------------|---------------|
| <b>1 January</b>                     | -                                    | <b>1,336</b>       | -                          | -                                 | <b>26,061</b>            | <b>27,397</b> |
| Impact of business combinations      | -                                    | -                  | -                          | -                                 | -                        | -             |
| Increase during the period (Note 29) | -                                    | 1,197              | -                          | -                                 | 8,461                    | 9,658         |
| Collections                          | -                                    | (2,494)            | -                          | -                                 | (553)                    | (3,047)       |
| Written off receivables              | -                                    | -                  | -                          | -                                 | -                        | -             |
| Disposals due to portfolio sale      | -                                    | -                  | -                          | -                                 | -                        | -             |
| Currency translation differences     | -                                    | -                  | -                          | -                                 | -                        | -             |
| <b>31 December</b>                   | -                                    | <b>39</b>          | -                          | -                                 | <b>33,969</b>            | <b>34,008</b> |

|   | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| Short-term liabilities from finance sector operations | 7,908            | 4,590            |
| Long-term liabilities from finance sector operations  | -                | -                |
|   | <b>7,908</b>     | <b>4,590</b>     |

The breakdown of debts from finance sector operations is as follows:

|                                 | 31 December 2021  |                 |              | 31 December 2020  |                 |              |
|---------------------------------|-------------------|-----------------|--------------|-------------------|-----------------|--------------|
|                                 | Demand<br>Deposit | Time<br>Deposit | Total        | Demand<br>Deposit | Time<br>Deposit | Total        |
| <b>Turkish lira deposit</b>     |                   |                 |              |                   |                 |              |
| Savings deposit                 | -                 | -               | -            | -                 | -               | -            |
| Commercial deposit              | 7,908             | -               | 7,908        | 4,590             | -               | 4,590        |
| Interbank deposits              | -                 | -               | -            | -                 | -               | -            |
| Funds from repo transactions    | -                 | -               | -            | -                 | -               | -            |
| Public sector deposit           | -                 | -               | -            | -                 | -               | -            |
|                                 | <b>7,908</b>      | <b>-</b>        | <b>7,908</b> | <b>4,590</b>      | <b>-</b>        | <b>4,590</b> |
| <b>Foreign currency deposit</b> |                   |                 |              |                   |                 |              |
| Savings deposit                 | -                 | -               | -            | -                 | -               | -            |
| Commercial deposit              | -                 | -               | -            | -                 | -               | -            |
| Interbank deposits              | -                 | -               | -            | -                 | -               | -            |
| Funds from repo transactions    | -                 | -               | -            | -                 | -               | -            |
|                                 | <b>7,908</b>      | <b>-</b>        | <b>7,908</b> | <b>4,590</b>      | <b>-</b>        | <b>4,590</b> |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 11 - OTHER RECEIVABLES AND PAYABLES

##### Other short-term receivables from non-related parties

|   | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| TEİAŞ power transmission line receivables | 17,115           | 15,065           |
| Deposits and guarantees given             | 7,743            | 4,382            |
| Other receivables <sup>(1)</sup>          | 49,670           | 14,222           |
| <b>Total</b>                              | <b>74,528</b>    | <b>33,669</b>    |

<sup>(1)</sup> A significant portion of other receivables are related to Doğan Holding.

##### Other short-term payables to non-related parties

|  | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Taxes and funds payable <sup>(1)</sup>   | 73,125           | 135,803          |
| Deposits and guarantees received         | 3,195            | 3,085            |
| Other short-term payables <sup>(2)</sup> | 18,213           | 13,173           |
| <b>Total</b>                             | <b>94,533</b>    | <b>152,061</b>   |

##### Other long-term payables to non-related parties

|   | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| Deposits and guarantees received        | 3,236            | 1,353            |
| Other long-term payables <sup>(2)</sup> | 1,913            | 7,488            |
| <b>Total</b>                            | <b>5,149</b>     | <b>8,841</b>     |

<sup>(1)</sup> A significant portion of the decrease in taxes and funds payable is due to the Special Consumption Tax liabilities of Aytemiz Akaryakıt, a subsidiary of the Group.

<sup>(2)</sup> A significant portion of the other short-term payables is due to the liabilities of the Group's subsidiary, Suzuki arising from distributor agreement. Since the maturity period of these liabilities is less than 1 year, there is no long-term distributor agreement liability.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 12 - INVENTORIES

|  | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Finished goods and merchandise <sup>(1)</sup>            | 1,739,147        | 649,133          |
| Raw materials and supplies <sup>(2)</sup>                | 196,367          | 83,803           |
| Semi-finished goods                                      | 52,837           | 18,002           |
| Other inventories <sup>(3)</sup>                         | 65,134           | 28,347           |
| Provision for impairment of inventory (-) <sup>(4)</sup> | (11,007)         | (341)            |
| <b>Total</b>   | <b>2,042,478</b> | <b>778,944</b>   |

Depreciation and amortization expenses amounting to TRY1,099 have been reflected to cost of inventories as of 31 December 2021 (31 December 2020: TRY1,072). The movement of the provision for impairment of inventories for the periods ended 31 December 2021 and 2020 are as follows:

|   | 2021            | 2020           |
|---|-----------------|----------------|
| <b>1 January</b>                                    | <b>(341)</b>    | <b>(2,062)</b> |
| Reversal of provision for impairment of inventories | 876             | 306            |
| Provision booked in the current period              | (202)           | (110)          |
| Acquisition of subsidiary <sup>(5)</sup>            | (11,340)        | -              |
| Disposal of subsidiary                              | -               | 1,525          |
| <b>31 December</b>                                  | <b>(11,007)</b> | <b>(341)</b>   |

(1) The significant portion of the increase is due to the Group's subsidiaries Aytemiz Akaryakıt, Doğan Dış Ticaret and Çelik Halat.

(2) The significant portion of the increase is due to Group's subsidiaries Ditaş Doğan, Çelik Halat and Sesa Ambalaj.

(3) The significant portion of the increase is due to Çelik Halat, a subsidiary of the Group.

(4) The significant portion of the increase is due to Doğan Yayıncılık, a subsidiary of the Group.

(5) As the details are explained in Note 3, it is related to the acquisition of Doğan Yayıncılık.

#### NOTE 13 - BIOLOGICAL ASSETS

As of 31 December 2021, the amount of biological assets of the Group's subsidiary Kelkit Doğan Besi is TRY15,249 (31 December 2020: TRY14,528).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 14 - INVESTMENT PROPERTIES

The movements of investment properties for the periods ended 31 December 2021 and 2020 are as follows:

|                       | 1 January<br>2021 | Additions | Disposals <sup>(1)</sup> | Disposal of<br>subsidiary | Transfers | Currency<br>translation<br>differences | Fair value<br>adjustment <sup>(2)</sup> | 31 December<br>2021 |
|-----------------------|-------------------|-----------|--------------------------|---------------------------|-----------|--|---|---------------------|
| Land                  | 430,688           | -         | (1,317)                  | -                         | -         | -                                      | 144,451                                 | 573,822             |
| Buildings             | 1,014,195         | -         | -                        | -                         | -         | 97,726                                 | 319,458                                 | 1,431,379           |
| <b>Net book value</b> | <b>1,444,883</b>  | <b>-</b>  | <b>(1,317)</b>           | <b>-</b>                  | <b>-</b>  | <b>97,726</b>                          | <b>463,909</b>                          | <b>2,005,201</b>    |

|                       | 1 January<br>2020 | Additions | Disposals | Disposal of<br>subsidiary | Transfers | Currency<br>translation<br>differences | Fair value<br>adjustment <sup>(2)</sup> | 31 December<br>2020 |
|-----------------------|-------------------|-----------|-----------|---------------------------|-----------|--|---|---------------------|
| Land                  | 386,044           | -         | -         | -                         | -         | -                                      | 44,644                                  | 430,688             |
| Buildings             | 971,123           | -         | -         | -                         | -         | 38,911                                 | 4,161                                   | 1,014,195           |
| <b>Net book value</b> | <b>1,357,167</b>  | <b>-</b>  | <b>-</b>  | <b>-</b>                  | <b>-</b>  | <b>38,911</b>                          | <b>48,805</b>                           | <b>1,444,883</b>    |

<sup>(1)</sup> It is related to the land sales of Aytemiz Akaryakıt, one of the subsidiaries of the Group.

<sup>(2)</sup> As of 31 December 2021, the Group has accounted for a fair value adjustment of TRY463,909, taking into account the appraisal value in the real estate appraisal report for the purchase and sale transactions of the land and buildings in the current period. TRY306,829 of the said fair value adjustment relates to the Group's investment properties, Trump Shopping Center and Office Tower. (31 December 2020: TRY43,013 of the fair value adjustment of TRY48,805 relates to Ömerli land, one of the investment properties of the Group).

There is no collateral or mortgage on investment properties of the Group.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 14 - INVESTMENT PROPERTIES (Continued)

As of 31 December 2021, the investment properties of the Group comprise of parts of buildings held to earn rentals, lands and properties.

##### Level reclassification of financial assets and liabilities measured at fair value

Investment properties of the Group has been valued by the real estate valuation establishments those are in the CMB list by using the market comparison analysis approach, cost approach and direct capitalisation approach methods. As a result, it was determined that the values calculated from different approaches is similar and consistent with the market comparison method and value has been determined according to the market comparison method. Real estate valuation establishments are authorized by CMB and provide property valuation appraisal services in accordance with the capital markets legislation and have sufficient experience and qualifications regarding the fair value measurement of the real estate in related regions.

As of 31 December 2021, the Group has accounted for a fair value adjustment of TRY463,909 (31 December 2020: TRY48,805), taking into account the real estate appraisal value, in the purchase and sale transactions of investment properties in the current period.

The following table gives information on how the fair values of the related financial asset and liabilities were determined:

|                          |                     |                     | Fair value level as of the reporting date |           |         |
|--------------------------|---------------------|---------------------|---|-----------|---------|
|                          | Fair value          |                     | Level 1                                   | Level 2   | Level 3 |
|                          | 31 December<br>2021 | 31 December<br>2020 |   |           |         |
| Investment<br>properties | 2,005,201           | 1,444,883           | -   | 2,005,201 | -       |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the periods ended 31 December 2021 and 2020 are as follows:

|  | 1 January<br>2021 | Additions      | Disposals        | Transfers      | Currency<br>translation<br>differences | Disposal<br>of subsidiary | Acquisition<br>of subsidiary <sup>(1)</sup> | 31 December<br>2021 |
|--|-------------------|----------------|------------------|----------------|--|---------------------------|---|---------------------|
| <b>Cost:</b>                                   |                   |                |                  |                |  |                           |   |                     |
| Land and land improvements                     | 203,016           | 6,502          | (18,676)         | 219            | -                                      | -                         | -   | 191,061             |
| Buildings                                      | 110,500           | 22,014         | (5,536)          | 6,655          | 248                                    | -                         | -   | 133,881             |
| Machinery and equipment                        | 1,465,891         | 31,827         | (3,704)          | 172,165        | 27,914                                 | -                         | 59,698                                      | 1,753,791           |
| Motor vehicles                                 | 177,584           | 255,127        | (79,396)         | (98)           | 3,131                                  | -                         | 1,465                                       | 357,813             |
| Furniture and fixtures                         | 137,081           | 31,864         | (1,362)          | (1,931)        | 665                                    | -                         | 1,582                                       | 167,899             |
| Development costs of<br>leased tangible assets | 116,025           | 12,098         | (332)            | 1,870          | 6,450                                  | -                         | 2,568                                       | 138,679             |
| Other tangible assets                          | 160,889           | 48,665         | (13,791)         | (88)           | -                                      | -                         | 642   | 196,317             |
| Construction in progress                       | 105,651           | 113,027        | (8,810)          | (187,448)      | 12                                     | -                         | 229   | 22,661              |
|  | <b>2,476,637</b>  | <b>521,124</b> | <b>(131,607)</b> | <b>(8,656)</b> | <b>38,420</b>                          | <b>-</b>                  | <b>66,184</b>                               | <b>2,962,102</b>    |
| <b>Accumulated depreciation:</b>               |                   |                |                  |                |  |                           |   |                     |
| Land improvements                              | 6,458             | 1,271          | -                | -              | -                                      | -                         | -   | 7,729               |
| Buildings                                      | 78,123            | 7,114          | (1,177)          | -              | (37)                                   | -                         | -   | 84,023              |
| Machinery and equipment                        | 396,801           | 93,850         | (1,276)          | 101            | 22,204                                 | -                         | -   | 511,680             |
| Motor vehicles                                 | 63,939            | 34,623         | (9,197)          | (821)          | 2,112                                  | -                         | -   | 90,656              |
| Furniture and fixtures                         | 61,577            | 12,937         | (2,151)          | (95)           | 587                                    | -                         | -   | 72,855              |
| Development costs of<br>leased tangible assets | 47,864            | 10,073         | (1,408)          | (29)           | 5,831                                  | -                         | -   | 62,331              |
| Other tangible assets                          | 80,643            | 22,086         | (5,399)          | 12             | 2                                      | -                         | -   | 97,344              |
|  | <b>735,405</b>    | <b>181,954</b> | <b>(20,608)</b>  | <b>(832)</b>   | <b>30,699</b>                          | <b>-</b>                  | <b>-</b>                                    | <b>926,618</b>      |
| <b>Net book value</b>                          | <b>1,741,232</b>  |                |                  |                |  |                           |   | <b>2,035,484</b>    |

<sup>(1)</sup> Details are explained in Note 3.

As of 31 December 2021, there is no mortgage on property, plant and equipment. (31 December 2020: None). As of 31 December 2021, there is no property, plant and equipment acquired by financial leasing (31 December 2020: None). As of 31 December 2021, capitalized borrowing cost in tangible fixed asset is TRY2,688 (31 December 2020: TRY20,034).

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 15 - PROPERTY, PLANT AND EQUIPMENT (Continued)

|  | 1 January<br>2020 | Additions      | Disposals       | Transfers      | Currency<br>translation<br>differences | Disposal<br>of subsidiary <sup>(2)</sup> | Acquisition<br>of subsidiary | 31 December<br>2020 |
|--|-------------------|----------------|-----------------|----------------|--|--|------------------------------|---------------------|
| <b>Cost:</b>                                   |                   |                |                 |                |  |  |                              |                     |
| Land and land improvements                     | 176,055           | 1,244          | (8,874)         | 17,252         | -                                      | -  | 17,339                       | 203,016             |
| Buildings                                      | 86,012            | 3,015          | (983)           | 3,204          | 101                                    | -  | 19,151                       | 110,500             |
| Machinery and equipment                        | 907,908           | 12,605         | (565)           | 404,345        | 10,869                                 | -  | 130,729                      | 1,465,891           |
| Motor vehicles                                 | 142,268           | 51,163         | (20,795)        | 585            | 1,123                                  | -  | 3,240                        | 177,584             |
| Furniture and fixtures                         | 124,622           | 12,387         | (894)           | 961            | 245                                    | (910)                                    | 670                          | 137,081             |
| Development costs of<br>leased tangible assets | 105,171           | 5,042          | (80)            | 3,359          | 2,577                                  | (44)                                     | -                            | 116,025             |
| Other tangible assets                          | 159,486           | 13,342         | (11,843)        | -              | -                                      | (96)                                     | -                            | 160,889             |
| Construction in progress                       | 28,734            | 515,813        | (1,674)         | (437,227)      | 5                                      | -  | -                            | 105,651             |
|  | <b>1,730,256</b>  | <b>614,611</b> | <b>(45,708)</b> | <b>(7,521)</b> | <b>14,920</b>                          | <b>(1,050)</b>                           | <b>171,129</b>               | <b>2,476,637</b>    |
| <b>Accumulated depreciation:</b>               |                   |                |                 |                |  |  |                              |                     |
| Land improvements                              | 5,634             | 824            | -               | -              | -                                      | -  | -                            | 6,458               |
| Buildings                                      | 72,007            | 6,329          | (203)           | -              | (10)                                   | -  | -                            | 78,123              |
| Machinery and equipment                        | 337,187           | 51,914         | (417)           | -              | 8,117                                  | -  | -                            | 396,801             |
| Motor vehicles                                 | 54,873            | 12,557         | (4,162)         | -              | 671                                    | -  | -                            | 63,939              |
| Furniture and fixtures                         | 52,039            | 10,594         | (737)           | -              | 222                                    | (541)                                    | -                            | 61,577              |
| Development costs of<br>leased tangible assets | 36,176            | 9,624          | (80)            | -              | 2,181                                  | (37)                                     | -                            | 47,864              |
| Other tangible assets                          | 70,026            | 20,722         | (10,008)        | -              | -                                      | (97)                                     | -                            | 80,643              |
|  | <b>627,942</b>    | <b>112,564</b> | <b>(15,607)</b> | <b>-</b>       | <b>11,181</b>                          | <b>(675)</b>                             | <b>-</b>                     | <b>735,405</b>      |
| <b>Net book value</b>                          | <b>1,102,314</b>  |                |                 |                |  |  |                              | <b>1,741,232</b>    |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 16 - INTANGIBLE ASSETS

#### Other intangible assets:

Movements of the intangible assets for the periods ended 31 December 2021 and 2020 are as follows:

|                                  | 1 January<br>2021 | Additions     | Disposals       | Currency<br>translation<br>differences | Transfers    | Disposal of<br>subsidiary | Acquisition of<br>subsidiary <sup>(1)</sup> | 31 December<br>2021 |
|----------------------------------|-------------------|---------------|-----------------|--|--------------|---------------------------|---|---------------------|
| <b>Cost</b>                      |                   |               |                 |  |              |                           |   |                     |
| Trade names                      | 96,932            | -             | -               | -                                      | -            | -                         | -   | 96,932              |
| Electricity production license   | 354,644           | -             | -               | -                                      | -            | -                         | -   | 354,644             |
| Customer list                    | 355,168           | -             | -               | -                                      | -            | -                         | 15,831                                      | 370,999             |
| Other                            | 255,606           | 46,129        | (14,651)        | 18,691                                 | 8,251        | -                         | 5,881                                       | 319,907             |
|                                  | <b>1,062,350</b>  | <b>46,129</b> | <b>(14,651)</b> | <b>18,691</b>                          | <b>8,251</b> | <b>-</b>                  | <b>21,712</b>                               | <b>1,142,482</b>    |
| <b>Accumulated amortization:</b> |                   |               |                 |  |              |                           |   |                     |
| Trade names                      | 9,460             | -             | -               | -                                      | -            | -                         | -   | 9,460               |
| Electricity production license   | 52,682            | 7,647         | -               | -                                      | -            | -                         | -   | 60,329              |
| Customer list                    | 7,893             | -             | -               | -                                      | -            | -                         | -   | 7,893               |
| Other                            | 167,890           | 58,262        | (1,112)         | 11,336                                 | 11           | -                         | -   | 236,387             |
|                                  | <b>237,925</b>    | <b>65,909</b> | <b>(1,112)</b>  | <b>11,336</b>                          | <b>11</b>    | <b>-</b>                  | <b>-</b>                                    | <b>314,069</b>      |
| Dealer agreements                | 160,251           |               |                 |  |              |                           |   | 193,890             |
| Television programme rights      | 73,196            |               |                 |  |              |                           |   | 206,696             |
|                                  | <b>1,057,872</b>  |               |                 |  |              |                           |   | <b>1,228,999</b>    |

<sup>(1)</sup> Details are explained in Note 3.

Movement of television programme rights and dealer agreements for the period ended 31 December 2021 is as follows:

|                             | 1 January 2021 | Additions | Amortization | Disposals | Currency translation<br>differences | 31 December 2021 |
|-----------------------------|----------------|-----------|--------------|-----------|-------------------------------------|------------------|
| Dealer agreements           | 160,251        | 76,824    | (37,211)     | (5,974)   | -                                   | 193,890          |
| Television programme rights | 73,196         | 54,113    | (27,413)     | -         | 106,800                             | 206,696          |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 16 - INTANGIBLE ASSETS (Continued)

#### Other intangible assets (Continued):

|                                  | 1 January<br>2020 | Additions     | Disposals       | Currency<br>translation<br>differences | Transfers    | Disposal of<br>subsidiary | Acquisition of<br>subsidiary | 31 December<br>2020 |
|----------------------------------|-------------------|---------------|-----------------|--|--------------|---------------------------|------------------------------|---------------------|
| <b>Cost</b>                      |                   |               |                 |  |              |                           |                              |                     |
| Trade names                      | 7,876             | -             | -               | -                                      | -            | -                         | 89,056                       | 96,932              |
| Electricity production license   | 354,644           | -             | -               | -                                      | -            | -                         | -                            | 354,644             |
| Customer list                    | -                 | -             | -               | -                                      | -            | -                         | 355,168                      | 355,168             |
| Other                            | 231,858           | 52,183        | (10,872)        | (8,354)                                | 7,521        | (16,949)                  | 219                          | 255,606             |
|                                  | <b>594,378</b>    | <b>52,183</b> | <b>(10,872)</b> | <b>(8,354)</b>                         | <b>7,521</b> | <b>(16,949)</b>           | <b>444,443</b>               | <b>1,062,350</b>    |
| <b>Accumulated amortization:</b> |                   |               |                 |  |              |                           |                              |                     |
| Trade names                      | 7,481             | 1,979         | -               | -                                      | -            | -                         | -                            | 9,460               |
| Electricity production license   | 45,035            | 7,647         | -               | -                                      | -            | -                         | -                            | 52,682              |
| Customer list                    | -                 | 7,893         | -               | -                                      | -            | -                         | -                            | 7,893               |
| Other                            | 145,705           | 25,061        | (2,477)         | 3,218                                  | -            | (3,617)                   | -                            | 167,890             |
|                                  | <b>198,221</b>    | <b>42,580</b> | <b>(2,477)</b>  | <b>3,218</b>                           | <b>-</b>     | <b>(3,617)</b>            | <b>-</b>                     | <b>237,925</b>      |
| Dealer agreements                | 181,120           |               |                 |  |              |                           |                              | 160,251             |
| Television programme rights      | 35,045            |               |                 |  |              |                           |                              | 73,196              |
|                                  | <b>612,322</b>    |               |                 |  |              |                           |                              | <b>1,057,872</b>    |

Movement of television programme rights and dealer agreements for the period ended 31 December 2020 is as follows:

|                             | 1 January 2020 | Additions | Amortization | Disposals | Currency translation<br>differences | 31 December 2020 |
|-----------------------------|----------------|-----------|--------------|-----------|-------------------------------------|------------------|
| Dealer agreements           | 181,120        | 43,988    | (47,208)     | (17,649)  | -                                   | 160,251          |
| Television programme rights | 35,045         | 60,866    | (38,332)     | -         | 15,617                              | 73,196           |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 16 - INTANGIBLE ASSETS (Continued)

#### Goodwill

As of 31 December 2021 and 2020, the movement table of goodwill is as follows:

|                                 | 2021           | 2020           |
|---------------------------------|----------------|----------------|
| <b>1 January</b>                | <b>105,101</b> | <b>51,552</b>  |
| Additions (Note 3)              | 2,890          | 51,202         |
| Currency translation difference | 852            | 2,347          |
| <b>31 December</b>              | <b>108,843</b> | <b>105,101</b> |

### NOTE 17 - RIGHT OF USE ASSETS

|                          | 1 January<br>2021 | Additions <sup>(1)</sup> | Disposals | Acquisition of<br>subsidiary <sup>(2)</sup> | Disposal of<br>subsidiary | Remeasurement <sup>(3)</sup> | 31<br>December<br>2021 |
|--------------------------|-------------------|--------------------------|-----------|---|---------------------------|------------------------------|------------------------|
| <b>Cost:</b>             |                   |                          |           |   |                           |                              |                        |
| Buildings                | 342,917           | 109,314                  | -         | 7,033                                       | -                         | -                            | 464,121                |
| Motor vehicles           | 46,210            | 23,551                   | -         | 1,231                                       | -                         | -                            | 71,117                 |
| Land                     | 15,800            | 8,317                    | -         | -   | -                         | (71)                         | 24,046                 |
| Offices                  | 20,926            | 2,902                    | -         | 269   | -                         | 1,821                        | 26,053                 |
| Warehouses               | 7,421             | 4,120                    | -         | 1,214                                       | -                         | 1,274                        | 14,403                 |
| Machinery and equipments | 4,308             | 39,495                   | -         | 218   | -                         | 152                          | 48,346                 |
| Frequencies              | 1,984             | 559                      | -         | -   | -                         | 1,165                        | 3,708                  |
|                          | <b>439,566</b>    | <b>188,258</b>           | <b>-</b>  | <b>9,965</b>                                | <b>-</b>                  | <b>4,341</b>                 | <b>651,794</b>         |

|                                  | 1 January<br>2021 | Additions        | Disposals | Acquisition of<br>subsidiary <sup>(2)</sup> | Disposal of<br>subsidiary | Remeasurement <sup>(3)</sup> | 31<br>December<br>2021 |
|----------------------------------|-------------------|------------------|-----------|---|---------------------------|------------------------------|------------------------|
| <b>Accumulated amortization:</b> |                   |                  |           |   |                           |                              |                        |
| Buildings                        | (125,685)         | (71,026)         | -         | -   | -                         | -                            | (201,568)              |
| Motor vehicles                   | (39,054)          | (13,623)         | -         | -   | -                         | -                            | (52,802)               |
| Land                             | (1,629)           | (1,842)          | -         | -   | -                         | -                            | (3,471)                |
| Offices                          | (4,833)           | (4,410)          | -         | -   | -                         | -                            | (9,378)                |
| Warehouses                       | (5,738)           | (5,296)          | -         | -   | -                         | -                            | (11,408)               |
| Machinery and equipments         | (3,440)           | (3,027)          | -         | -   | -                         | -                            | (10,640)               |
| Frequencies                      | (1,638)           | (1,128)          | -         | -   | -                         | -                            | (2,766)                |
|                                  | <b>(182,017)</b>  | <b>(100,352)</b> | <b>-</b>  | <b>-</b>                                    | <b>-</b>                  | <b>-</b>                     | <b>(292,033)</b>       |

|                       |                |                |
|-----------------------|----------------|----------------|
| <b>Net book value</b> | <b>257,549</b> | <b>359,761</b> |
|-----------------------|----------------|----------------|

- (1) In the reporting period, the additions in the buildings are related to Aytemiz Akaryakıt and Değer Merkezi, subsidiaries of the Group, and the additions to the machinery and equipment are related to Sesa Ambalaj, Çelik Halat and Ditaş Doğan.
- (2) Details are explained in Note 3.
- (3) The Group renegotiated various lease agreements with lessors in 2021. As a result of these negotiations, changes were made in the lease terms. Since the changes do not cause a change in the scope and content of the financial lease, the Group has accounted for these changes by making an adjustment of TRY4,341 on the usage assets in accordance with the accounting policies explained in Note 2.2.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 17 - RIGHT OF USE ASSETS (Continued)

|                                  | 1 January<br>2020 | Additions       | Disposals    | Acquisition of<br>subsidiary | Disposal of<br>subsidiary | Remeasurement | 31<br>December<br>2020 |
|----------------------------------|-------------------|-----------------|--------------|------------------------------|---------------------------|---------------|------------------------|
| <b>Cost:</b>                     |                   |                 |              |                              |                           |               |                        |
| Buildings                        | 248,201           | 95,109          | -            | -                            | -                         | (393)         | 342,917                |
| Motor vehicles                   | 37,031            | 480             | -            | -                            | -                         | 8,699         | 46,210                 |
| Land                             | 16,795            | 1,850           | -            | -                            | (16)                      | (2,829)       | 15,800                 |
| Offices                          | 14,561            | 6,466           | (27)         | -                            | (74)                      | -             | 20,926                 |
| Warehouses                       | 3,592             | 3,462           | -            | 560                          | -                         | (193)         | 7,421                  |
| Machinery and equipments         | 1,958             | 2,502           | (214)        | 42                           | -                         | 20            | 4,308                  |
| Frequencies                      | 819               | 1,137           | -            | -                            | -                         | 28            | 1,984                  |
|                                  | <b>322,957</b>    | <b>111,006</b>  | <b>(241)</b> | <b>602</b>                   | <b>(90)</b>               | <b>5,332</b>  | <b>439,566</b>         |
| <b>Accumulated amortization:</b> |                   |                 |              |                              |                           |               |                        |
| Buildings                        | (56,902)          | (68,783)        | -            | -                            | -                         | -             | (125,685)              |
| Motor vehicles                   | (20,699)          | (18,355)        | -            | -                            | -                         | -             | (39,054)               |
| Land                             | (800)             | (841)           | -            | -                            | 12                        | -             | (1,629)                |
| Offices                          | (2,601)           | (2,301)         | 14           | -                            | 55                        | -             | (4,833)                |
| Warehouses                       | (2,525)           | (3,213)         | -            | -                            | -                         | -             | (5,738)                |
| Machinery and equipments         | (1,820)           | (1,795)         | 175          | -                            | -                         | -             | (3,440)                |
| Frequencies                      | (695)             | (943)           | -            | -                            | -                         | -             | (1,638)                |
|                                  | <b>(86,042)</b>   | <b>(96,231)</b> | <b>189</b>   | <b>-</b>                     | <b>67</b>                 | <b>-</b>      | <b>(182,017)</b>       |
| <b>Net book value</b>            | <b>236,915</b>    |                 |              |                              |                           |               | <b>257,549</b>         |

#### NOTE 18 - GOVERNMENT GRANTS

In the scope of the Social Insurance and General Health Insurance Law, the Group receives insurance premium incentives (law no. 5510), regional incentives (law no. 56486), SSI incentives and Minimum Wage incentives (law no. 56645). The company has deducted the incentives amounting to TRY869 as of 31 December 2021 (31 December 2020: TRY1,219) to labor expenses in the "Cost of sales" in the financial statements.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

| Other short-term provisions           | 31 December 2021 | 31 December 2020 |
|---------------------------------------|------------------|------------------|
| Provision for lawsuits and indemnity  | 12,105           | 12,622           |
| EMRA penalty provision <sup>(1)</sup> | 4,370            | -                |
| Other <sup>(2)</sup>                  | 7,208            | 4,204            |
|                                       | <b>23,683</b>    | <b>16,826</b>    |

<sup>(1)</sup> As per EMRA Inspection Directorate's report dated 31 May 2021, even though necessary defences were made by Galata Wind regarding this report within the term, EMRA board decisions dated 30 December 2021 were taken regarding Şah WPP, which belongs to Galata Wind, as YEKDEM revenue was generated in a way that contradicts legislation. As per the Debt Repayment Agreement made between EPIAŞ (which was appointed for collection) and Galata Wind, the total cost will be collected by 17 June 2024. The Group allocated a provision of TRY10,406 for the related amount as of 31 December 2021. TRY4,370 of this amount was recognized under short-term provisions, and TRY6,036 part was recognized under long-term provisions. Galata Wind management does not accept the accusations in the announced decisions against Galata Wind and it will initiate legal actions to cancel these decisions.

<sup>(2)</sup> A significant portion of the other short-term provisions consists of the provisions for sales premium and sales return of Doğan Yayıncılık, a subsidiary of the Group.

Movement of lawsuit provisions for the periods ended 31 December 2021 and 2020 is as follows:

|  | 2021          | 2020          |
|--|---------------|---------------|
| <b>1 January</b>                               | <b>12,622</b> | <b>8,476</b>  |
| Additions in the current period (Note 29)      | 3,360         | 4,863         |
| Reversal of provisions booked in prior periods | (3,877)       | (1,891)       |
| Disposal of subsidiary                         | -             | (169)         |
| Acquisition of subsidiary                      | -             | 1,343         |
| <b>31 December</b>                             | <b>12,105</b> | <b>12,622</b> |

The Group reserved provisions of TRY12,105 considering the legal opinions on ongoing lawsuits and similar lawsuits finalized in the past, which were brought against it and the details of which are given below (31 December 2020: TRY12,622).

#### (a) *Lawsuits*

The amount of lawsuits filed against the Group is TRY35,810 as of 31 December 2021 (31 December 2020: TRY31,408).

|                  | 31 December 2021 | 31 December 2020 |
|------------------|------------------|------------------|
| Commercial cases | 8,783            | 8,574            |
| Legal cases      | 14,508           | 13,225           |
| Business cases   | 12,519           | 9,609            |
| <b>Total</b>     | <b>35,810</b>    | <b>31,408</b>    |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**(b) Other**

***Milpa***

***The Land of Ömerli***

Shares acquired step by step with the agreement "Building Construction Shared Floor/Revenue in Return Arrangement Form Land Share and Real Estate Promise to Sell Agreement" ("Agreement") signed between March 2000 - October 2003 and recognised under "investment properties" by the Group, and in addition to these shares, the balance of the shares acquired from the result of the tender in relation to the lawsuit opened by one of the shareholders corresponding to his/her share in the real estate, located at İstanbul Province, Pendik District, Kurtdoğan Village at parcel with no:1154 and with an area of 2,093,941 m<sup>2</sup>, have been recognised at fair value which has been appreciated in the Real Estate Valuation Report dated 7 January 2022 prepared by the Real Estate Appraisal Company on the list of CMB. Due to the legal uncertainties stated below, Ömerli land hasn't been recognised under normal business operations of the Company (project development, construction and sale etc.), and has been recognised as "investment properties" in accordance with TAS 40 ("Investment Properties"), in the context of Paragraph 8/(b).

Milpa, has commitment to pay 25% of the revenue generated from the real estate project (the "Project") by considering the share of the land owners who have assigned shares within the scope of revenue sharing constructions and/or flat for land basis contracts in accordance with the Contract verdicts that has been signed with the first acquisition of Ömerli Land which cannot be implemented due to the administrative and legal processes as described in detail below.

According to the İstanbul Environmental Recreation Plan, scale of 1/100,000 and dated 15 June 2009, a significant part of the land of which parcel no is 1154, is located partially within the borders of "Habitat Park Area". The report on the Basin Location Information of the İstanbul Water Supply and Sanitation Administrative General Directory dated 4 January 2022 states that 2,586 m<sup>2</sup> of parcel no 1154 is part of the Forest Area. The related parcel is located in both the medium range (1000 m. - 2000 m.) protected area and the long range (2000 m. - 5000 m.) protected area of Ömerli Reservoir Basin. It was stated in the letter dated 29 December 2021 by General Directorate of Highways that the related parcel remains outside the expropriation area and are not subject to any expropriation process.

As described in detail below, 144,266 m<sup>2</sup> of the land with parcel no: 1155 has been removed from the forest area with the court decision in 2005. In relation to 1154 parcel, the letter communicated from İstanbul Metropolitan Municipality dated 30 November 2016 to the real estate appraisal company, development plan proposal and report of a part of Yenişehir neighborhood of Pendik district numbered NİP-22054 Pin Number 1/5000 Scale including Pendik district Kurtdoğan neighborhood 1154 and 1155 parcels and Ballica, Emirli, Kurna and Kurtdoğan neighborhoods were referred to İstanbul Metropolitan Municipality Assembly to be evaluated and decided within the scope of 3194 and 5216 law and related regulations, and also is has been learnt that the mentioned plan has been scaled on 6 December 2017. When the mentioned "Master Development Plan" is analyzed, it is seen that 30% of the land in Ömerli is allocated as "Municipal Service Area," and a large part of the remaining land is defined in the legend as "Sustainable Protection and Controlled Use Area," and a relatively smaller part as "Areas Requiring Special Measures Geologically".

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**(b) Other (Continued)**

It is understood from the mentioned "Master Development Plan" that the part allocated as the sub-function of "Sustainable Protection and Controlled Use Area" legend was planned to be 23% "Arboretum," 25% "Recreational Area," 40% "Area to Be Protected through Forestation<sup>(1)</sup>," 2% "Fairground," 5% "Hobby Gardens," and 5% "Camping Areas," and permission for maximum 1-floor prefabricated structuring with an average rate of 0.04 was granted for these areas. On the grounds that the legends and functions specified in the "Master Development Plan" include contradictions to law as well as planning and urban development procedures and principles, and that they violate the right of ownership, and with the request that "housing zone" legend is also accepted for the mentioned "Immovable," necessary legal and formal objections to the "Master Development Plan" were raised on 2 January 2018 within the allowed period. The objections of Milpa were rejected by İstanbul Municipality Parliamentary Commission. Milpa filed a lawsuit with the request for the cancellation of the decision regarding the amendment of the plan note. According to the decision of the Republic of Turkey İstanbul 2nd Administrative Court dated 26 December 2019, which took place in UYAP on 25 February 2020 and was notified on 28 February 2020, the Court has justified our request and cancelled the Master Plan for Parcel 1154. Milpa has been notified that the appellee has applied to the court of appeal against the said Court Decision on 27 March 2020. The court, assessing the defendant's request of appeal as per the Appeal Decision notified on 17 November 2020, accepted the request of appeal and decided to revoke the decision by İstanbul 2nd Administrative Court and to dismiss the case with the right to appeal to the Council of State. Milpa appealed to the Council of State within the legal period. The return of the case file from the Council of State is expected. The case file is of administrative nature and there is no hearing date.

<sup>(1)</sup> In the 1 / 5,000 Master Development Plan, which was previously approved by IMM, "the value of the area to be protected through forestation" was declared as 10% by IMM as a result of a technical error, and it was later corrected as 40% by IMM.

As per the Implementation Construction Plan for Ballica, Emirli, Kurna and Kurtdoğan Districts with a scale of 1/1000 with PIN no. UİP-35580, suspended by the Pendik Municipality on 31 December 2020, parcel no.1154 named SK-3 were planned to be developed as Sustainable Protection and Controlled utilisation areas and Municipality service area. Milpa filed an objection within the legal duration against the above-mentioned Implementation Construction Plan suspended by the Pendik Municipality. It has been observed that the objections made within the suspension process regarding the related "Implementation Development Plan" were not accepted by the municipal council; Milpa filed a lawsuit on the relevant plan notes, including the 1/100,000 scaled development plan on 26 May 2021. It has been decided to implement the exploration and expert examination of the file; and also been decided to make a decision about the stay of execution after the discovery and expert examination on the land, the expert reports are notified to the parties and the objections are submitted or the objection deadlines have passed.

In addition, Milpa filed a lawsuit for indemnization against Teiaş General Directory on 21 July 2020 for confiscating without expropriating for the energy transfer lines and pylon sites on the Parcel no.1154. At the hearing of the case on 15 December 2021, it was decided to wait for the file's return from the expert examination and therefore to postpone the hearing date to 9 March 2022.

The updated revaluation reports are obtained from CMB licensed real estate companies every year for the "investment properties" of Milpa that comprises of TRY430,130 (31 December 2020: TRY 335,502) of Ömerli Land.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**(b) Other (Continued)**

In this respect, the parcel's topography being very steep and bumpy, accession to the land is limited and difficult under current conditions but there being few other parcel of the same size in the region where the land is located, the land being located close to the TEM highway and settlement area of Sultanbeyli, the positive effect of the opening of the Northern Marmara Motorway on real estate values in the region the 1/5000 scale of Master Development Plan of the parcel where the real estate is located has been approved dated 13 October 2017, the fact that with the suspension of the 1/1000 scale of implementation development plan, development plan will be implemented soon in the region has a positive reflection on the prices demanded in the region and the fact that new information has been reached from the public sources about the expropriation costs within the scope of North Marmara Motorway construction in the parcels adjacent to Ömerli Land, the Parcel No. 1154's fair value was determined as TRY523,485 (without VAT) in the Valuation Report dated 7 January 2022 of a real estate company. The amount is the evaluation for the whole of the land Parcel No. 1154 (2,093,941 m<sup>2</sup>).

The share of Milpa in the Parcel No. 1154 is 1,720,521 m<sup>2</sup>, which equals to 82.17% of the whole parcel, and amounts to TRY430,130 as of 31 December 2021. (As of 31 December 2020 the share of Milpa is 1,720,521 m<sup>2</sup>, which equals to 82.17% of the whole parcel, and the share of Milpa amounts to TRY335,502). As mentioned above, the registration on the Forest Land for Parcel no. 1155 was approved by Supreme Court of Law No:20. There is no fair value determined for the Parcel No. 1155 which was priorly derecognized from the statements of financial position through full amount of provision as of 31 December 2014. For Ömerli Land, security expenses amounting to TRY649 has been recognised under operational expenses (31 December 2020: TRY610). Additionally, no rental income has been recognised from the related property (31 December 2020: None).

**Parcel No. 1155;**

As described in detail above, 144,266 m<sup>2</sup> of the land parcel no: 1155 has been removed from the forest area with the court decision in year 2005. To this The Forestry Directorate appealed the decision at the Supreme Court of law No: 20 and the objection was accepted on 24 June 2008 and these decisions (removal from forest area) are sent to the Pendik First Civil Court for re-evaluation. The Court has reiterated its initial decision being right on 8 October 2009 in terms of content. The General Directorate of Forestry appealed the Court's decision again and the related file was re-sent to the Supreme Court of law No: 20. The related office has resent the file to Pendik First Civil Court by disrupting the court decision. The Court for which the lawsuit is held, has been divided into two and the lawsuit was continued to be heard at 29th. Civil Court. The aforementioned court has decided to cancel the land register of the aforementioned 144,266 m<sup>2</sup> and parcel No: 1155 of land belonging to the Company and registered the land as forest title in the name of the treasury at 23 December 2014.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**(b) Other (Continued)**

In accordance with the Court decision for parcel No:1155 being registered as forestry land, it has been excluded from the financial statements as at 31 December 2014. Following the notification of the Court decision no 2013/320 at 9 January 2015, appeal to a superior court on 13 February 2015 has been made. Aforementioned appeal has not been accepted and the Company has been notified that Supreme Court No: 20 upheld the decision of 29th. Civil Court on 13 July 2017. On 20 July 2017, compensation lawsuit was opened due to civil wrong. At the hearing held on 18 April 2019, the Court stated that in relation to the "Land" of 144,266 m<sup>2</sup>, whose 98,702 m<sup>2</sup> (68.42%) belongs to the Company, in the parcel no:1155 located at Pendik District, Kurtdoğmuş Village; It has been decided that a compensation in favor of the Company in total amount of TRY85,117 is to be paid and the legal interest shall be calculated separately from the date of the case. The portion corresponding to the Company's share of this amount is calculated as approximately TRY58,234.

The Court was decided to abolish the court decision summarized above and to re-see the case in pursuit of evaluating the defendant's request for appeal. In the justified decision of the court, it was stated that the right to compensation is found appropriate, but whether the immovable subject to the lawsuit has the characteristics of "land" or not and its value must be examined by expert witnesses through various methods. At the re-hearing case dated 6 July 2021, the Court decided to pay indemnization in countenance of Milpa, amounting of TRY85,117, with the legal interest calculated separately from the date of the lawsuit. The portion of this amount accrued to Milpa's share is approximately TRY58,234. The said decision of the Court was "appealed" by the defendant. The appellate court evaluated the defendant's request for appeal and decided in favor of Milpa, that the defendant's appeal was rejected by the Court of Cassation. The case is at the Supreme Court stage and the legal processes are continuing.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 20 - COMMITMENTS

##### (a) Letters of guarantee and guarantee notes given

|  | 31 December 2021 |                |                |               | 31 December 2020 |                |                |               |
|--|------------------|----------------|----------------|---------------|------------------|----------------|----------------|---------------|
|  | TRY Equivalent   | TRY            | USD            | EUR           | TRY Equivalent   | TRY            | USD            | EUR           |
| A. CPM's given in the name of its own legal personality  |                  |                |                |               |                  |                |                |               |
| Collaterals <sup>(1)</sup>   | 2,175,852        | 708,288        | 80,421         | 26,224        | 1,588,205        | 842,282        | 70,119         | 25,668        |
| Pledge <sup>(3)</sup>  | -                | -              | -              | -             | -                | -              | -              | -             |
| Mortgage   | -                | -              | -              | -             | -                | -              | -              | -             |
| B. CPM's given on behalf of the fully consolidated companies   |                  |                |                |               |                  |                |                |               |
| Collaterals <sup>(1)(2)</sup>  | 717,004          | 31,314         | 51,443         | -             | 424,534          | 29,314         | 53,841         | -             |
| Pledge <sup>(3)</sup>  | -                | -              | -              | -             | -                | -              | -              | -             |
| Mortgage   | -                | -              | -              | -             | -                | -              | -              | -             |
| C.CPM's given on behalf of 3rd parties for ordinary course of business                               | 386              | 386            | -              | -             | 386              | 386            | -              | -             |
| D.Total amount of other CPM's given  |                  |                |                |               |                  |                |                |               |
| i) Total amount of CPM's given on behalf of the majority shareholders                                | -                | -              | -              | -             | -                | -              | -              | -             |
| ii) Total amount of CPM's given on behalf of other group companies which are not in scope of B and C | -                | -              | -              | -             | -                | -              | -              | -             |
| iii) Total amount of CPM's given on behalf of 3rd parties which are not in scope of C                | -                | -              | -              | -             | -                | -              | -              | -             |
| <b>Total</b>   | <b>2,893,242</b> | <b>739,988</b> | <b>131,864</b> | <b>26,244</b> | <b>2,013,125</b> | <b>871,982</b> | <b>123,960</b> | <b>25,668</b> |

<sup>(1)</sup> The collaterals of the Group consist of letter of guarantees, guarantee notes and bails and the details are explained below.

<sup>(2)</sup> Within the scope of the project of Aslancık Elektrik's hydroelectric power plant, Doğan Holding has given collateral to the credit institutions amounting to USD18,443 (31 December 2020: USD20,841). In addition, a bail amounting to USD33,000 is given to credit institutions for Boyabat Elektrik's refinancing loans.

<sup>(3)</sup> 33.33% shares of Aslancık Elektrik and 33.00% shares of Boyabat Elektrik were given as pledges to financial institutions due to the Group's long term borrowings and are not included in the table above.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 20 - COMMITMENTS (Continued)

#### (a) Letters of guarantee and guarantee notes given (Continued)

Other CPM's given by the Group to equity ratio is 0% as of 31 December 2021 (31 December 2020: 0%). The details of letter of guarantees and guarantee notes given by the Group are as follows:

#### Non-finance operations:

|                             | 31 December 2021     |                   | 31 December 2020     |                   |
|-----------------------------|----------------------|-------------------|----------------------|-------------------|
|                             | Original<br>Currency | TRY<br>equivalent | Original<br>Currency | TRY<br>equivalent |
| Letters of guarantees - TRY | 414,125              | 414,125           | 548,233              | 548,233           |
| Letters of guarantees - USD | 25,403               | 338,596           | 15,119               | 110,981           |
| Letters of guarantees - EUR | 26,172               | 394,844           | 25,616               | 230,746           |
| Guarantee notes - USD       | 55,000               | 733,095           | 55,000               | 403,728           |
| Guarantee notes - TRY       | 200,047              | 200,047           | 200,047              | 200,047           |
| Guarantee notes - EUR       | 52                   | 789               | 52                   | 468               |
| <b>Total</b>                |                      | <b>2,081,496</b>  |                      | <b>1,494,203</b>  |

#### Finance operations:

|                             | 31 December 2021     |                   | 31 December 2020     |                   |
|-----------------------------|----------------------|-------------------|----------------------|-------------------|
|                             | Original<br>Currency | TRY<br>equivalent | Original<br>Currency | TRY<br>equivalent |
| Letters of guarantees - TRY | 94,502               | 94,502            | 94,388               | 94,388            |
| Letters of guarantees - USD | 18                   | 241               | -                    | -                 |
| Letters of guarantees - EUR | -                    | -                 | -                    | -                 |
| Letters of credit           | -                    | -                 | -                    | -                 |
| Acceptance credits          | -                    | -                 | -                    | -                 |
| Other                       | -                    | -                 | -                    | -                 |
| <b>Total</b>                |                      | <b>94,743</b>     |                      | <b>94,388</b>     |

#### (b) Bails and mortgages given

The details of guarantees given by the Group for the financial liabilities and trade payables of the Group companies and related parties as of 31 December 2021 and 31 December 2020 are as follows:

|              | 31 December 2021     |                   | 31 December 2020     |                   |
|--------------|----------------------|-------------------|----------------------|-------------------|
|              | Original<br>Currency | TRY<br>equivalent | Original<br>Currency | TRY<br>equivalent |
| Bails - USD  | 51,443               | 685,690           | 53,841               | 395,220           |
| Bails - TRY  | 31,314               | 31,314            | 29,314               | 29,314            |
| <b>Total</b> |                      | <b>717,004</b>    |                      | <b>424,534</b>    |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 21 - OTHER ASSETS

| Other current assets                               | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Value added tax ("VAT") receivables <sup>(1)</sup> | 238,696          | 101,141          |
| Prepaid tax and funds <sup>(2)</sup>               | 7,945            | 45,277           |
| Personnel advances                                 | 1,767            | 1,542            |
| Job advances                                       | 1,112            | 1,088            |
| Other  | 867              | 780              |
|  | <b>250,387</b>   | <b>149,828</b>   |

(1) VAT receivables amounting to TRY137,871 is related to Galata Wind (31 December 2020: TRY61,810) and the remaining amount consists of VAT receivables related to the subsidiaries of the Group.

(2) A significant portion of Doğan Holding's prepaid taxes and funds are offset in the current period.

| Other non-current assets                           | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Value added tax ("VAT") receivables <sup>(3)</sup> | 186,381          | 317,344          |
| Other  | 1,883            | 425              |
|  | <b>188,264</b>   | <b>317,769</b>   |

(3) TRY106,490 is related to VAT receivables of Galata Wind (31 December 2020: TRY244,996).

#### NOTE 22 - PREPAID EXPENSES AND DEFERRED INCOME

The details of prepaid expenses and deferred income as of 31 December 2021 and 31 December 2020 are as follows:

| Short term prepaid expenses     | 31 December 2021 | 31 December 2020 |
|---------------------------------|------------------|------------------|
| Advances given <sup>(1)</sup>   | 142,163          | 42,558           |
| Prepaid expenses <sup>(2)</sup> | 54,760           | 22,089           |
|                                 | <b>196,923</b>   | <b>64,647</b>    |

(1) The significant portion of advances given consists of advances related to the operations of the Group's subsidiary Suzuki, Sesa Ambalaj and Doğan Trend.

(2) Significant portion of the prepaid expenses are comprised of the prepaid expense for the following months of Galata Wind, Doğan Yayıncılık and Kanal D Romanya which are subsidiaries of the Group.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 22 - PREPAID EXPENSES AND DEFERRED INCOME (Continued)

| Long term prepaid expenses                       | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Advances given <sup>(1)</sup>                    | 28,074           | 4,855            |
| Prepaid expenses for future years <sup>(2)</sup> | 29,408           | 10,904           |
|  | <b>57,482</b>    | <b>15,759</b>    |

(1) A significant portion of the advances given are related to the purchases of tangible fixed asset of Sesa Ambalaj, the subsidiary of the Group.

(2) A portion of TRY18,745 of the relevant amount includes insurance fees paid by Galata Wind, a subsidiary of the Group, within the scope of a new foreign currency loan with a 10-year term amounting to EUR20,000,000 (exact) in 2021.

| Short-term deferred income       | 31 December 2021 | 31 December 2020 |
|----------------------------------|------------------|------------------|
| Advances received <sup>(3)</sup> | 80,425           | 11,143           |
| Deferred income <sup>(4)</sup>   | 42,590           | 32,076           |
|                                  | <b>123,015</b>   | <b>43,219</b>    |

| Long-term deferred income | 31 December 2021 | 31 December 2020 |
|---------------------------|------------------|------------------|
| Deferred income           | 19,956           | 12,070           |
|                           | <b>19,956</b>    | <b>12,070</b>    |

(3) As significant amount of advances received consist of Profil Sanayi, 3S Kalıp, Çelik Halat, Doğan Dış Ticaret, Suzuki and Doğan Trend.

(4) A significant portion of short-term deferred income consists of deferred income related to contracts with respect to advertising activities of Hepsi Emlak and deferred income related to Milta Turizm's yacht tying income.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 23 - DERIVATIVE INSTRUMENTS

##### *Currency derivative transactions*

The Group utilizes foreign exchange derivatives and commodity derivatives to protect future significant transactions and cash flows from financial risk. Group has signed various forward exchange contracts and option contracts regarding the management of fluctuations in exchange rates and oil prices. The derivative instruments purchased are mainly denominated in foreign currencies in which the Group operates.

As of the statement of financial position date, the total nominal amount of the Group's foreign currency and option contracts with maturity that are not due and the Group is obliged to carry are as follows:

|   | 31 December 2021 |               | 31 December 2020 |               |
|---|------------------|---------------|------------------|---------------|
|   | Asset            | Liability     | Asset            | Liability     |
| Currency derivative transactions with maturity <sup>(1)</sup> | 46,920           | 17,776        | 22,683           | 38,180        |
| Commodity agreements <sup>(2)</sup>                           | -                | -             | -                | 3,083         |
| <b>Total</b>  | <b>46,920</b>    | <b>17,776</b> | <b>22,683</b>    | <b>41,263</b> |

<sup>(1)</sup> Doğan Holding, Galata Wind, Aytemiz Akaryakıt, DHI Investment, Sesa Ambalaj the subsidiaries of the Group, make forward foreign exchange contracts with the banks in order to hedge their foreign exchange risk; on the date of the deal sells TRY and buys Pound, US Dollars and Euros. On the other hand, derivative instruments of Galata Wind are related to foreign currency loans.

<sup>(2)</sup> Consists of derivative commodity contracts signed by Aytemiz Akaryakıt, a subsidiary of the Group, to reduce the risk of fluctuation in oil prices

#### NOTE 24 - PROVISION FOR EMPLOYMENT BENEFITS

##### *a) Payables related to employee benefits*

The details of payables related to employee benefits as of 31 December 2021 and 31 December 2020 are as follows:

|                                      | 31 December 2021 | 31 December 2020 |
|--------------------------------------|------------------|------------------|
| Payables to personnel <sup>(1)</sup> | 45,236           | 23,977           |
| Social security payables             | 13,006           | 7,042            |
|                                      | <b>58,242</b>    | <b>31,019</b>    |

<sup>(1)</sup> The relevant amount includes provisions for bonuses and premium.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 24 - PROVISION FOR EMPLOYMENT BENEFITS (Continued)****b) Short term provisions for employment benefits**

The details of short-term provisions for employment benefits as of 31 December 2021 and 31 December 2020 are as follows:

|                               | <b>31 December 2021</b> | <b>31 December 2020</b> |
|-------------------------------|-------------------------|-------------------------|
| Provision for unused vacation | 32,497                  | 21,959                  |
|                               | <b>32,497</b>           | <b>21,959</b>           |

**c) Long term provisions for employment benefits**

Details of long-term provisions for employment benefits as of 31 December 2021 and 31 December 2020 are as follows:

|   | <b>31 December 2021</b> | <b>31 December 2020</b> |
|---|-------------------------|-------------------------|
| Provision for employment termination benefits | 103,326                 | 57,679                  |
|   | <b>103,326</b>          | <b>57,679</b>           |

Except from the legal requirements other than Turkey in which the Group operates, there are no pension plans and benefits.

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies and achieves the retirement age. As of 31 December 2021, the maximum amount payable equivalent to one month of salary is TRY8,284.51 (exact) (31 December 2020: TRY7,117.17 (exact) for each year of service. The retirement pay provision ceiling TRY10,848.59 (exact) which is effective from 1 January 2022, is taken into consideration in the calculation of provision for employment termination benefits (31 December 2020: TRY7,638.96 (exact) effective from 1 January 2021).

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group.

The standard TAS 19 "Employee Benefits" envisages the development of actuarial valuation methods in order to estimate the provision of severance pay. According to this, following assumptions were used in the calculation of total liability based on the report prepared by the actuarial firm.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 24 - PROVISION FOR EMPLOYMENT BENEFITS (Continued)****c) Long term provisions for employment benefits (Continued)**

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2021, the provision has been calculated by estimating the present value of the future probable obligation arising from the retirement of the employees.

Discount rate applied as 20.22%<sup>(1)</sup> (31 December 2020: 11.80%), inflation rate applied as 15.90% (31 December 2020: 7.43%) and increase in wages applied as 20% (31 December 2020: 7.43%) in the calculation <sup>(2)</sup>.

Age of retirement is based on considering the Company's historical average age of retirement.

<sup>(1)</sup> The gross discount rate used for calculation of the severance payment liability is determined by considering Government Bond yields with the longest time to maturity. Based on this, the net discount rate was determined as 3.73% (31 December 2020: 4.07%)

<sup>(2)</sup> It is determined by considering the Central Bank of the Republic of Turkey Expectation Surveys and the weighted average of long-term CPI indexed financial instruments.

The movement of provision for employment termination benefits within the period is as follows:

|  | 2021           | 2020          |
|--|----------------|---------------|
| <b>1 January</b>                                       | <b>57,679</b>  | <b>42,930</b> |
| Current period service cost and net interest expense   | 14,355         | 11,265        |
| Payments during the period                             | (7,162)        | (4,470)       |
| Acquisition of subsidiary (Note 3)                     | 7,869          | 4,610         |
| Disposal of subsidiary (Note 32)                       | -              | (704)         |
| Payment/reduction of benefits/dismissal (gains)/losses | 1,651          | 1,388         |
| Actuarial loss/(gain)                                  | 28,934         | 2,660         |
| <b>31 December</b>                                     | <b>103,326</b> | <b>57,679</b> |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 25 - EQUITY

Doğan Holding adopted the registered paid-in capital system and set a limit on its registered paid-in capital representing registered type shares with a nominal value of TRY1.

Doğan Holding's registered capital ceiling and issued capital at 31 December 2021 and 31 December 2020 are as follows:

|                                       | 31 December 2021 | 31 December 2020 |
|---------------------------------------|------------------|------------------|
| Registered authorized capital ceiling | 4,000,000        | 4,000,000        |
| Issued capital                        | 2,616,938        | 2,616,938        |

There are no privileged shares of Doğan Holding.

The ultimate shareholders of Doğan Holding are Aydın Doğan and Doğan Family (Işıl Doğan, Arzuhan Yalçındağ, Vuslat Sabancı, Hanzade V. Doğan Boyner and Y.Begümhan Doğan Faralyalı) and the shareholders of Holding and the historical values of shares in equity as of 31 December 2021 and 31 December 2020 are as follows

| Shareholder                                      | Shares (%)    | 31 December 2021 | Shares (%)    | 31 December 2020 |
|--|---------------|------------------|---------------|------------------|
| Adilbey Holding A.Ş.                             | 49.66         | 1,299,679        | 49.66         | 1,299,679        |
| Doğan Family                                     | 14.47         | 378,626          | 14.47         | 378,626          |
| Publicly traded on Borsa İstanbul <sup>(1)</sup> | 35.87         | 938,633          | 35.87         | 938,633          |
| <b>Issued capital</b>                            | <b>100.00</b> | <b>2,616,938</b> | <b>100.00</b> | <b>2,616,938</b> |
| Adjustment to issued capital                     |               | 143,526          |               | 143,526          |
| Repurchased shares (-)                           |               | (59,533)         |               | (16,035)         |
| <b>Total</b>                                     |               | <b>2,700,931</b> |               | <b>2,744,429</b> |

<sup>(1)</sup> In accordance with the "CMB" Resolution No: 31/1059 issued on 30 October 2014 and 21/655 issued on 23 July 2010, it is regarded that 35.78% of 936,360,960 (exact) shares (31 December 2020: 35.84%) are outstanding as of 31 December 2020 based on the Central Registry Agency's ("CRA") records.

Adjustment to share capital represents the difference between cash and cash equivalent contributions to the total amounts adjusted for inflation added to issued share capital and amounts before inflation adjustment.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 25 - EQUITY (Continued)

##### *Repurchased shares*

With the decision of the Group's Board of Directors dated 22 February 2019; "Share Buyback Program" that is prepared in accordance with the Turkish Commercial Code, Capital Markets Law, CMB's Communiqué No: II-22.1 Repurchase of Shares adjustments published in the Official Gazette numbered 28871 and dated 3 January 2014 was accepted by the majority in the General Assembly meeting on 20 March 2019.

Within the framework of "Share Buyback Program", the Company management has been authorized to perform the repurchase of its shares. In this context, it was decided that the maximum amount of funds allocated for repurchase would be TRY131,000,000 (exact) and that the maximum number of shares to be withdrawn would not exceed this amount.

In the period of 1 January 2021 – 31 December 2021, within the scope of the Share Buyback Program, the Company shares with a nominal value of TRY13,270,000 (exact) were purchased by the Company itself from Borsa İstanbul for an amount of TRY43,499,159 (exact) as TRY3.28 per share. As of 31 December 2021, the total nominal amount of Repurchased Shares has increased to TRY26.902.838.00 (exact), together with those previously purchased except the scope of the "Share Repurchase Program". (As of 31 December 2020, total nominal amount of Repurchased Shares is TRY13,632,838 (exact)).

##### *Share premiums/(discounts)*

Share premiums/(discounts) represent the positive or negative differences resulting from the nominal value and sales value of public shares.

|                     | 31 December 2021 | 31 December 2020 |
|---------------------|------------------|------------------|
| Share premiums      | 163,724          | 163,724          |
| Share discounts (-) | (128,565)        | (128,565)        |
| <b>Total</b>        | <b>35,159</b>    | <b>35,159</b>    |

##### *Restricted reserves*

Restricted reserves are reserved from the prior period profit due to legal or contractual obligations or for certain purposes other than the profit distribution (for example, to obtain the tax advantage of gain on sale of associates). Restricted reserves are in the scope of solo legal records in accordance with TCC and TPL.

General Statutory Legal Reserves are reserved in accordance with the article 519 of Turkish Commercial Code and used in accordance with the principles set out in this article. The afore-mentioned amounts should be classified in "Restricted Reserves" in accordance with the TAS.

The details of restricted reserves as of 31 December 2021 and 31 December 2020 are as follows:

| Restricted reserves                 | 31 December 2021 | 31 December 2020 |
|-------------------------------------|------------------|------------------|
| Gain on sale of subsidiary's shares | 503,925          | 476,597          |
| General legal reserves              | 304,198          | 223,905          |
| Venture capital investment fund     | 212,566          | 212,566          |
| <b>Total</b>                        | <b>1,020,689</b> | <b>913,068</b>   |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 25 - EQUITY (Continued)**

***Accumulated Other Comprehensive Income and Losses that will not be Reclassified in Profit or Loss***

The Company's investment property revaluation reserves and actuarial losses of defined benefit plans that aren't reclassified in accumulated other comprehensive income and expenses are summarized below:

***i. Gain/(loss) on revaluation of property, plant and equipment***

Real estates recognised as property, plant and equipment in prior periods, can be transferred to investment property due to changes in use. The Group has reclassified some of its properties as investment property and has chosen to account such investment properties at fair value.

***ii. Actuarial gains (losses) on defined benefit plans***

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group. The Group recognised all actuarial gains and losses in other comprehensive income. Remeasurement loss on defined benefit plans amounting to TRY29,422 is accounted under shareholders' equity (31 December 2020: TRY12,913).

***Accumulated Other Comprehensive Income and Losses that will be Reclassified in Profit or Loss***

***i. Revaluation and reclassification gains (losses)***

Financial assets revaluation reserves are calculated by accounting on net book values after reflecting deferred tax impact of unrealized gains and losses composed of changes of fair values of assets held for sale. The amount of revaluation decreases of assets held for sale presented under equity in the statement of financial position is TRY86,948 in the current period (31 December 2020: TRY6,973 value decrease).

***ii. Currency translation differences***

Currency translation differences consist of currency translation differences of the Group's subsidiaries and joint ventures financial statements located out of Turkey using a measurement currency other than TRY and classified under equity. The increase in the currency translation difference reserve attributable to parent is TRY1,441,711 and the decrease amounting to TRY(1,334) is attributable to non-controlling interest (31 December 2020: Increase amounting to TRY252,873 is attributable to parent and decrease amounting to TRY(545) is attributable to non-controlling interest).

***Transactions with non-controlling shareholders***

The Group sold Galata Wind's (a subsidiary) shares of TRY160,437,440 (exact) nominal value in full representing its fully paid-in capital by public offering. As the result of all transactions carried out in the period ending on 31 December 2021, 26.95% of Galata Wind's capital represents the portion traded in Istanbul stock exchange. Due to the fact that the above-mentioned transactions do not result in loss of control and are performed with non-controlling interest shareholders, these have been evaluated by the Group as the Group's transactions with the shareholders. Accordingly, the difference between the adjustment amount of non-controlling shares and amount received was recognised under the Group's equity. The impact of the above-mentioned transactions on the Group's total equity is TRY741,636, including income from Çelik Halat share sale, and the attributable to equity holders of the parent company portion of the above-mentioned amount is TRY516,577, and the portion of TRY225,059 is attributable to non-controlling interests.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 25 - EQUITY (Continued)**

***Capital Reserves and Retained Earnings***

Subsequent to the first inflation adjusted financial statements, equity items such as; “Capital, Emission Premiums, General Statutory Legal Reserves, Statutory Reserves, Special Reserves and Extraordinary Reserves” are carried at carrying value in the statement of financial position and their adjusted values based on inflation are collectively presented in equity accounts group.

In accordance with the CMB regulations, “Issued capital”, “Restricted Reserves” and “Share Premiums” shall be carried at their statutory amounts. The valuation differences resulted due to the inflation adjustment shall be disclosed as follows:

- If the difference is due to the “Issued Capital” and not yet been transferred to capital, it should be classified under “Capital adjustment difference”;
- If the difference is due to “Restricted Reserves” and “Share Premium” and the amount has not been subject to dividend distribution or capital increase yet, it shall be classified under “Retained Earnings/(Losses)”.

Other equity items are carried at the amounts valued in accordance with TAS.

Capital adjustment differences have no other use than to be included to the share capital.

***Dividend Distribution***

The Company decides to distribute dividend and makes dividend distribution in accordance with the Turkish Commercial Code (“TCC”), Capital Market Law (“CML”), Capital Market Board (“CMB”) Regulations and Laws; Tax Legislations; other related statutory legislation and Articles of Association and Resolutions of General Assembly. Dividend distribution is determined by Dividend Distribution Policy.

On the other hand,

- a) Retained earnings derived from the reparation of comparative financial statements based on the first time adoption of TAS,
- b) “Equity inflation adjustment differences” derived from resources that do not have any restriction regarding dividend distribution,
- c) Retained earnings derived from the first time inflation adjustment of financial statements, can be distributed to shareholders as cash dividends.

In addition, if the consolidated financial statements include the “Purchasing Impact on Equity” item under equity, the related item is not considered as a deductible or additional item when presenting net distributable profit for the period.

At the general shareholders meeting of the Company on 8 April 2021, the following legislation was considered: the Turkish Commercial Code (“TCC”), capital market legislation and Capital Markets Board (“CMB”) Regulations, corporate tax, income tax and other relevant legal legislation and the legislation relevant to the Main Agreement of the Company and the “Dividend Distribution Policy” and the relevant articles of the Dividend Distribution Policy disclosed to the public.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 25 - EQUITY (Continued)**

***Dividend Distribution (Continued)***

Under the "Communique on Financial Reporting in Capital Markets" (II-14.1) legislation of the CMB, according to the audited consolidated financial statements for the period 1 January 2020 - 31 December 2020 that are prepared in accordance with the Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight, Accounting and Auditing Standards Board (POA), for which the presentation principles have been determined as per the relevant resolutions of the CMB, when "Deferred Tax Expense", "Tax Expense for the Period" and "Non-controlling Interests" are considered together, a "Net Profit for the Period" amounting to TRY1,390,240,000 (exact) was observed. After the "General Legal Reserve" amounting to TRY40,464,707.57 (exact), "Gain on Sale of Associates" amounting to TRY34,247,798.44 (exact), "Venture Capital Fund" amounting to TRY84,000,000 (exact) and "Legal Reserves Reserved Within the Context of Repurchased Shares" amounting to TRY8,961,409.72 (exact) were deducted and "Donations" in 2020 amounting to TRY14,953,779.28 (exact) were added to the remaining amount, a "Net Distributable Period Profit" of TRY1,237,519,863.55 (exact) was calculated, which is in line with paragraph (1) of Article 519 of the TCC,

In the Legal Statutory Records ("Statutory Records") for the period 1 January 2020 - 31 December 2020, kept as per tax legislation and prepared as per the Uniform Chart of Accounts issued by the Republic of Turkey Ministry of Finance, a "Net Period Profit" of TRY927,541,949.77 (exact) was calculated; after the "General Legal Reserve" amounting to TRY40,464,707.57 (exact), "Gain on Sale of Associates" amounting to TRY34,247,798.44 (exact), "Venture Capital Fund" amounting to TRY84,000,000 (exact) and "Legal Reserves Reserved Within the Context of Repurchased Shares" amounting to TRY8,961,409.72 (exact) were deducted, a "Net Distributable Period Profit" amounting to TRY759,868,034.04 (exact) was observed which was calculated as per paragraph (1) of Article 519 of the TCC,

Statutory Records are taken as basis in dividend distribution for the period 1 January 2020- 31 December 2020,

Within this scope, it was understood that there is no need to allocate additional "General Legal Reserves" as per paragraph 4 of Article 519 of the TCC which is valid for "fraction" on the date of dividend distribution and in compliance with the rules of Merkezi Kayıt Kuruluşu A.Ş. ("MKK"), a "Cash" dividend of TRY180,000,000 (exact) ("gross") and TRY153,000,000 (exact) ("net"), which are equal 6.87826% gross and 5.84652% net of the "Issued Capital", shall be distributed on 30 April 2021 at the latest,

As per the CMB and POA regulations, after the above-mentioned legal and special reserves were allocated in the consolidated financial statements prepared in line with TAS and TFRS, non-distributed profit amounting to TRY1,042,566,084.27 (exact) was recognised under "Retained Earning/(Loss)", after the above-mentioned legal and special reserves regarding to Statutory Records were allocated non-distributed profit amounting to TRY579,868,034.04 (exact) was recognised under "Extraordinary Reserves,

The above matters were presented to the General Assembly and accepted via a majority vote. Dividend distribution transactions were started on 28 April 2021 and ended on 30 April 2021.

The CMB requires the disclosure of the total net profit in the statutory records and other resources which may be subject to distribution. As of the date of the statement of financial position, the gross amount of the Company's resources subject to dividend distribution based on the statutory records, excluding share premiums/discounts and current period profit is TRY3,963,778,116 (exact).



**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 26 - REVENUE AND COST OF SALES**

|  | <b>1 January -<br/>31 December<br/>2021</b> | <b>1 January -<br/>31 December<br/>2020</b> |
|--|---|---|
| <i>Revenue of non-finance sector</i>           |   |   |
| Domestic sales                                 | 15,971,521                                  | 10,449,426                                  |
| Foreign sales                                  | 888,753                                     | 374,676                                     |
| Sales return and discounts (-)                 | (273,845)                                   | (199,497)                                   |
| <i>Revenue of finance sector operations</i>    |   |   |
| Interest income                                | 246,659                                     | 136,555                                     |
| Fee and commission income                      | 22,616                                      | 9,328                                       |
| Other activities income                        | 65,210                                      | -   |
| <b>Net sales</b>                               | <b>16,920,914</b>                           | <b>10,770,488</b>                           |
| Cost of sales of non-finance sector (-)        | (14,308,109)                                | (9,421,762)                                 |
| Cost of sales of finance sector operations (-) | (174,082)                                   | (59,862)                                    |
| <b>Gross profit</b>                            | <b>2,438,723</b>                            | <b>1,288,864</b>                            |

*Sales details of fuel retail segment are presented below:*

|                   | <b>1 January -<br/>31 December<br/>2021</b> | <b>1 January -<br/>31 December<br/>2020</b> |
|-------------------|---|---|
| Fuel sales income | 9,461,007                                   | 6,432,942                                   |
| LPG sales income  | 1,697,753                                   | 1,237,349                                   |
| Other             | 155,814                                     | 113,752                                     |
| <b>Total</b>      | <b>11,314,574</b>                           | <b>7,784,043</b>                            |

*Sales details of electricity production segment are presented below:*

|                    | <b>1 January -<br/>31 December<br/>2021</b> | <b>1 January -<br/>31 December<br/>2020</b> |
|--------------------|---|---|
| Electricity income | 539,490                                     | 335,203                                     |
| <b>Total</b>       | <b>539,490</b>                              | <b>335,203</b>                              |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 26 - REVENUE AND COST OF SALES (Continued)

*Sales details of industry and trade segment are presented below:*

|                                  | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|----------------------------------|------------------------------------|------------------------------------|
| Industrial income <sup>(1)</sup> | 943,009                            | 476,078                            |
| External trade income            | 926,479                            | 643,376                            |
| Packaging income <sup>(2)</sup>  | 750,407                            | 197,675                            |
| Other                            | 42,762                             | 33,128                             |
| <b>Total</b>                     | <b>2,662,657</b>                   | <b>1,350,257</b>                   |

<sup>(1)</sup> A significant portion of the industrial income is related to Ditaş Doğan and Çelik Halat, the subsidiaries of the Group.

<sup>(2)</sup> As the details of Sesa Ambalaj are explained in Note 3, the purchase and transfer transactions were completed on 14 September 2020, and there is only 108 days of packaging revenue between 1 January and 31 January 2020.

|                      | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|----------------------|------------------------------------|------------------------------------|
| Vehicle sales income | 1,120,740                          | 511,451                            |
| <b>Total</b>         | <b>1,120,740</b>                   | <b>511,451</b>                     |

|                                 | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|---------------------------------|------------------------------------|------------------------------------|
| Factoring income                | 229,891                            | 137,420                            |
| Financing income <sup>(1)</sup> | 101,880                            | 8,437                              |
| Investment income               | 92,261                             | 55,864                             |
| Management consultancy income   | 6,749                              | 24,251                             |
| <b>Total <sup>(*)</sup></b>     | <b>430,781</b>                     | <b>225,972</b>                     |

<sup>(\*)</sup> The revenue from finance sector operations is followed in the financing and investment segment. It consist of factoring, financing and interest income.

<sup>(1)</sup> The increase of financing income consist of operating license in 2021 related to the obtained of the Group's subsidiary D Yatırım.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 26 - REVENUE AND COST OF SALES (Continued)

*Sales details of internet and entertainment segment are presented below:*

|  | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|--|------------------------------------|------------------------------------|
| Advertisement income                   | 485,393                            | 303,293                            |
| Book and magazine sales <sup>(2)</sup> | 82,197                             | -                                  |
| Subscription income                    | 51,664                             | 30,080                             |
| Music production income <sup>(3)</sup> | -                                  | 25,717                             |
| Other <sup>(4)</sup>                   | 92,493                             | 81,773                             |
| <b>Total</b>                           | <b>711,747</b>                     | <b>440,863</b>                     |

<sup>(2)</sup> As the details are explained in Note 3, it results from the sales of books and magazines by Doğan Yayıncılık, a subsidiary of the Group acquired as of 26 April 2021.

<sup>(3)</sup> As the details are explained in Note 32, the music production income did not occur between 1 January - 31 January 2021 due to the majority shares of DMC and NetD Music have been sold.

<sup>(4)</sup> Consists of Kanal D Romanya's satellite and transmitter service revenues.

*Sales details of real estate investments segment are presented below:*

|  | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|--|------------------------------------|------------------------------------|
| Real estate management income <sup>(5)</sup> | 90,516                             | 65,006                             |
| Rent income <sup>(6)</sup>                   | 49,913                             | 57,223                             |
| Other  | 496                                | 470                                |
| <b>Total</b>                                 | <b>140,925</b>                     | <b>122,699</b>                     |

<sup>(5)</sup> Relates to yacht tying revenues of Milta, and to room sales revenues of Marlin, subsidiaries of the Group.

<sup>(6)</sup> It is related to Trump Office and Shopping Center rental income of D Gayrimenkul, a subsidiary of the Group.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 26 - REVENUE AND COST OF SALES (Continued)

*Details of the cost of sales for the periods ended at 31 December 2021 and 2020 are as follows:*

|                                | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|--------------------------------|------------------------------------|------------------------------------|
| Fuel retail                    | (10,584,878)                       | (7,453,382)                        |
| Electricity production         | (145,404)                          | (88,998)                           |
| Industry and trade             | (2,154,945)                        | (1,116,872)                        |
| Automotive trade and marketing | (950,271)                          | (444,749)                          |
| Financing and investment       | (194,718)                          | (103,818)                          |
| Internet and entertainment     | (368,973)                          | (211,722)                          |
| Real estate investments        | (83,002)                           | (62,083)                           |
| <b>Total</b>                   | <b>(14,482,191)</b>                | <b>(9,481,624)</b>                 |

*Details of the cost of sales of fuel retail segment are presented below:*

|                         | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|-------------------------|------------------------------------|------------------------------------|
| Fuel and LPG sales cost | (10,471,577)                       | (7,364,841)                        |
| Other                   | (113,301)                          | (88,541)                           |
| <b>Total</b>            | <b>(10,584,878)</b>                | <b>(7,453,382)</b>                 |

*Details of the cost of sales of electricity production and trade segment are presented below:*

|  | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|--|------------------------------------|------------------------------------|
| Amortization and depreciation <sup>(1)</sup> | (62,740)                           | (34,451)                           |
| General production expenses                  | (64,768)                           | (45,539)                           |
| Other  | (17,896)                           | (9,008)                            |
| <b>Total</b>                                 | <b>(145,404)</b>                   | <b>(88,998)</b>                    |

<sup>(1)</sup> There was an increase due to the Taşpınar power plant investment of Galata Wind, a subsidiary of the Group.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 26 - REVENUE AND COST OF SALES (Continued)

*Cost of sales details of industry and trade segment are presented below:*

|   | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|---|------------------------------------|------------------------------------|
| Raw material cost <sup>(2)</sup>        | (1,007,490)                        | (368,442)                          |
| Cost of trade goods sold <sup>(3)</sup> | (802,864)                          | (574,359)                          |
| Personnel expenses                      | (144,424)                          | (78,719)                           |
| General production expenses             | (134,677)                          | (56,010)                           |
| Amortization and depreciation           | (43,531)                           | (22,370)                           |
| Other                                   | (21,959)                           | (16,972)                           |
| <b>Total</b>                            | <b>(2,154,945)</b>                 | <b>(1,116,872)</b>                 |

(2) A significant portion of the raw material cost is related to Ditaş Doğan and Çelik Halat subsidiaries of the Group.

(3) A significant portion of the cost of trade good sold is related to Doğan Dış Ticaret and Çelik Halat subsidiaries of the Group.

*Cost of sales details of automotive trade and marketing segment are presented below:*

|                          | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|--------------------------|------------------------------------|------------------------------------|
| Cost of trade goods sold | (950,271)                          | (444,749)                          |
| <b>Total</b>             | <b>(950,271)</b>                   | <b>(444,749)</b>                   |

*Cost of sales details of financing and investment segment are presented below:*

|                       | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|-----------------------|------------------------------------|------------------------------------|
| Cost of services sold | (194,718)                          | (103,818)                          |
| <b>Total</b>          | <b>(194,718)</b>                   | <b>(103,818)</b>                   |

(\*) The cost of services sold from finance sector operations is followed in the financing and investment segment.

*Cost of sales details of internet and entertainment segment are presented below:*

|   | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|---|------------------------------------|------------------------------------|
| Programme production costs <sup>(4)</sup> | (111,787)                          | (40,506)                           |
| Personnel expenses                        | (87,991)                           | (62,277)                           |
| Amortization and depreciation             | (77,592)                           | (57,328)                           |
| Other <sup>(5)</sup>                      | (91,603)                           | (51,611)                           |
| <b>Total</b>                              | <b>(368,973)</b>                   | <b>(211,722)</b>                   |

(4) The cost of sales increased due to the increase in the programme production costs related to the development of Kanal D Romanya's operations.

(5) As the details are explained in Note 3, it consists of royalty expenses of Doğan Yayıncılık, one of the subsidiaries acquired by the Group as of 26 April 2021.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 26 - REVENUE AND COST OF SALES (Continued)

*Cost of sales details of real estate investments segment are presented below:*

|                                 | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|---------------------------------|------------------------------------|------------------------------------|
| Cost of goods and services sold | (83,002)                           | (62,083)                           |
| <b>Total</b>                    | <b>(83,002)</b>                    | <b>(62,083)</b>                    |

#### NOTE 27 - MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

|                                 | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|---------------------------------|------------------------------------|------------------------------------|
| Marketing expenses              | (688,772)                          | (432,513)                          |
| General administrative expenses | (446,996)                          | (290,534)                          |
| <b>Operating expenses</b>       | <b>(1,135,768)</b>                 | <b>(723,047)</b>                   |

#### Marketing expenses:

|  | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|--|------------------------------------|------------------------------------|
| Personnel expenses                             | (170,075)                          | (112,379)                          |
| Amortization and depreciation                  | (148,406)                          | (120,012)                          |
| Transportation, storage<br>and travel expenses | (129,323)                          | (59,119)                           |
| Advertisement expenses                         | (118,190)                          | (50,457)                           |
| Outsourced service expenses                    | (22,203)                           | (12,994)                           |
| Consulting expenses                            | (13,383)                           | (7,128)                            |
| Royalty expenses <sup>(1)</sup>                | (27)                               | (22,904)                           |
| Other  | (87,165)                           | (47,520)                           |
| <b>Total</b>                                   | <b>(688,772)</b>                   | <b>(432,513)</b>                   |

<sup>(1)</sup> As the details are explained in Note 32, a significant portion of the decrease is related to discontinued operations of Doğan Müzik Yapım ve Ticaret A.Ş. ve NetD Müzik Video Dijital Platform ve Ticaret A.Ş..

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 27 - MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES (Continued)

##### General administrative expenses:

|   | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|---|------------------------------------|------------------------------------|
| Personnel expenses                          | (276,373)                          | (173,915)                          |
| Consulting expenses                         | (40,006)                           | (24,602)                           |
| Amortization and depreciation               | (28,017)                           | (18,968)                           |
| Outsourced service expenses                 | (25,624)                           | (14,150)                           |
| Various taxes                               | (7,247)                            | (5,575)                            |
| Transportation, storage and travel expenses | (6,050)                            | (2,966)                            |
| Other                                       | (63,679)                           | (50,358)                           |
| <b>Total</b>                                | <b>(446,996)</b>                   | <b>(290,534)</b>                   |

#### NOTE 28 - EXPENSES BY NATURE

Expenses are presented functionally for the periods ended 31 December 2021 and 2020 and the details are given in Note 26 and Note 27.

#### NOTE 29 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

##### Other income from operating activities

|   | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|---|------------------------------------|------------------------------------|
| Foreign exchange gains  | 1,136,526                          | 603,135                            |
| Finance income due from<br>sales with maturity                        | 111,927                            | 43,841                             |
| Interest income on bank deposit                                       | 97,124                             | 64,878                             |
| Income from fair value increase of<br>investment properties (Note 13) | 94,629                             | 43,013                             |
| Unrecognized provisions   | 11,766                             | 12,508                             |
| Other   | 69,616                             | 53,757                             |
| <b>Total</b>  | <b>1,521,588</b>                   | <b>821,132</b>                     |

**DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 29 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)****Other expenses from operating activities**

|  | <b>1 January -<br/>31 December<br/>2021</b> | <b>1 January -<br/>31 December<br/>2020</b> |
|--|---|---|
| Foreign exchange losses                            | (338,899)                                   | (57,276)                                    |
| Finance expense due to<br>purchases with maturity  | (124,008)                                   | (27,680)                                    |
| Donations and grants                               | (22,776)                                    | (15,300)                                    |
| Provision for doubtful<br>receivables (Note 9, 10) | (16,395)                                    | (23,443)                                    |
| Provision for lawsuits (Note 19)                   | (3,360)                                     | (4,863)                                     |
| Other  | (61,047)                                    | (31,776)                                    |
| <b>Total</b>                                       | <b>(566,485)</b>                            | <b>(160,338)</b>                            |

**NOTE 30 - INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES****Income from investment activities**

|   | <b>1 January -<br/>31 December<br/>2021</b> | <b>1 January -<br/>31 December<br/>2020</b> |
|---|---|---|
| Foreign exchange gains  | 1,742,113                                   | 460,963                                     |
| Income from fair value increase of<br>investment properties (Note 14) | 369,280                                     | 5,792                                       |
| Interest income on marketable securities                              | 149,898                                     | 102,283                                     |
| Income from sales of marketable securities                            | 51,611                                      | 32,360                                      |
| Income from sales of tangible<br>and intangible assets                | 32,113                                      | 21,054                                      |
| Earnings obtained as a result of<br>the negotiated purchase (Note 3)  | 24,177                                      | -   |
| Income from disposal of subsidiary (Note 32)                          | -   | 131,684                                     |
| Income from fair value increase<br>of joint ventures (Note 4)         | -   | 87,789                                      |
| <b>Total</b>  | <b>2,369,192</b>                            | <b>841,925</b>                              |

**Expenses from investment activities**

|  | <b>1 January -<br/>31 December<br/>2021</b> | <b>1 January -<br/>31 December<br/>2020</b> |
|--|---|---|
| Impairment on fair value<br>of joint ventures (Note 4) | (11,067)                                    | -   |
| Loss on sales of property, plant<br>and equipment      | (1,212)                                     | (327)                                       |
| Other  | (968)                                       | (215)                                       |
| <b>Total</b>   | <b>(13,247)</b>                             | <b>(542)</b>                                |



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 31 - FINANCE EXPENSES

##### Finance expenses

|   | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|---|------------------------------------|------------------------------------|
| Foreign exchange losses/gains, net              | (324,046)                          | (104,524)                          |
| Interest expense on bank borrowings             | (318,464)                          | (173,047)                          |
| Bank commission expenses                        | (44,534)                           | (16,643)                           |
| Interest expense related to<br>lease borrowings | (37,990)                           | (31,841)                           |
| Other   | (284)                              | (339)                              |
| <b>Total</b>                                    | <b>(725,318)</b>                   | <b>(326,394)</b>                   |

#### NOTE 32 - ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

##### Assets Classified as Held for Sale:

As of 31 December 2021, non-current assets classified as held for sale amounting to TRY300 consists of real estates that Doruk Faktoring assured in return for the receivables which could not be collected. (31 December 2020: Doruk Faktoring and Doruk Finansman TRY1,590).

##### Discontinued Operations:

With the Board of Directors decision dated 16 April 2020, the Group decided to sell the 60% of the shares representing the capital of Doğan Müzik Yapım ve Ticaret A.Ş. and NetD Müzik Video Dijital Platform ve Ticaret A.Ş., subsidiaries of the Group operating in music and entertainment segment, to Believe International, and the sales process was completed on 21 July 2020 at a price of USD23,400 (equivalent of TRY160,145). The amount of the sale was collected in cash.

This transaction is regarded as an event that does not require adjustment by taking into account TMS 10 "Events After the Reporting Period" as of 31 December 2020, and accordingly the anticipated classifications as per the TFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" standard were not applied in the consolidated profit or loss statement for the accounting period ending 31 December 2021. Additionally, these companies were recognised using the equity method in the consolidated financial statements prepared as of 31 December 2021 and 31 December 2020 (Note 4).

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 33 - INCOME TAXES

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis for all the subsidiaries consolidated on a line-by-line basis.

##### *Corporate tax*

Corporate tax liabilities as of 31 December 2021 and 31 December 2020 are as follows:

|                                     | 31 December 2021 | 31 December 2020 |
|-------------------------------------|------------------|------------------|
| Provision for current income tax    | 695,613          | 269,028          |
| Prepaid corporate taxes             | (283,655)        | (245,866)        |
| <b>Taxes payable for the period</b> | <b>411,958</b>   | <b>23,162</b>    |

  

|                                       | 31 December 2021 | 31 December 2020 |
|---------------------------------------|------------------|------------------|
| Corporate and income taxes payable    | 411,958          | 23,162           |
| Deferred tax (asset)/liabilities, net | 223,541          | 163,059          |
| <b>Total taxes</b>                    | <b>635,499</b>   | <b>186,221</b>   |

##### *Turkey*

Corporate tax is payable on the total income of the Group after adjusting for certain disallowable expenses, corporate income tax exemptions (exemption for participation in subsidiaries, etc.) and corporate income tax deductions (such as research and development expenditures deduction). No further tax is payable unless there is dividend distribution.

Companies calculate corporate tax quarterly at the rate determined by the Corporate Tax Law and these amounts are disclosed by the end of 14th day and paid by the end of the 17th day of the second month following each calendar quarter-end. Advance taxes paid in the period are offset against the following period's corporate tax liability. If there is an outstanding advance tax balance as a result of offsetting, the related amount may either be refunded in cash or used to offset against for other payables to the government.

With the adjustment on Corporate Income Tax Law, which became effective after its promulgation in Official Gazette no. 31462 dated 22 April 2021, corporate income tax rate in Turkey is 25% as of 31 December 2021 (2020: 22%). Accordingly, in the calculation of deferred tax assets and liabilities of the subsidiaries resident in Turkey for the Group's consolidated financial statements dated 31 December 2021, the tax rate was applied as 25% for the portion of the relevant temporary differences actualising as of 2022, and 20% for the portions actualising as of 2023.

According to, Amendments in Tax Procedural Law, Income Tax Law and Corporate Tax Law ("Law No. 5024") published in the Official Gazette on 30 December 2003 and the income or corporations taxpayers whose determine their profits on the basis of the statement of financial position, the financial statements are subject to inflation adjustment starting from 1 January 2004. The merger premiums which occurred as a result of the related subsidiary mergers, were classified as an equalizing account, which is neither an asset nor a liability, by the Group, in its financial statements and applied an inflation adjustment for the calculation of the corporate tax in 2004, due to the related regulations and Tax Procedural Law, titled "Inflation Adjustment Application" with number 17 and dated 24 March 2005.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 33 - INCOME TAXES (Continued)**

*Corporate tax (Continued)*

In accordance with the related law, the cumulative inflation of last 36 months inflation rate (PPI) must exceed 100% and the inflation rate (PPI) of last 12 months must exceed 10% in order to adjust inflation. There has not been any inflation adjustment after 2005 due to the absence of conditions required.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the 25th of the fourth month following the close of the financial year to which they relate.

Tax authorities can review accounting records within five years and if they determine any errors on the accounting records, tax payable can be reassessed as a result of another tax assessment.

Under the Turkish tax legislation, tax losses can be carried forward to offset against future taxable income for up to 5 years.

There are numerous exemptions in the Corporate Tax Law concerning the corporations. The exemptions that are related to the Group are as follows:

*Exemption for participation in subsidiaries*

Dividend income from participation in shares of capital of another fully fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax. As of 31 December 2021, obtained the gain on sale of associates regarding as the public offering of Galata Wind shares is included in the taxable income in the 2nd period within the scope of Article 5/1-e of the Corporate Tax Law No. 5520.

*Issued premiums exemption*

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

*Exemption for participation into foreign subsidiaries*

For companies participating in 10% or more of the capital of a non-resident limited liability or joint stock company, (except for those whose principal activity is financial leasing or investment property) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries being subject to corporate income tax, or alike, in their country of legal residence or business center at the rate of at least 15% (minimum corporate income tax applicable in Turkey for those whose principal activity is finance assurance or insurance).

*Exemption for sale of participation shares and property*

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and 50% of the gains derived from the sale of real estate property which have remained in assets for more than two full years are exempt from corporate tax. The relevant gain is required to be held in a fund account in liabilities for at least five years to gain the right to use the exemption. The amount of the sale should be collected until the end of the second calendar year following the year of the sale.

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 33 - INCOME TAXES (Continued)

#### Corporate tax (Continued)

The tax rates at 31 December 2021 applicable in the foreign countries, where the significant part of the Group's operations are performed, are as follows:

| Country     | Tax rates (%) |
|-------------|---------------|
| USA         | 10.5          |
| Romania     | 16.0          |
| England     | 19.0          |
| Netherlands | 25.0          |

#### Deferred tax

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the POA's Financial Reporting Standards. The temporary differences arise due to accounting treatments made in different reporting periods based on the applicable tax laws and the transfer of financial losses.

Deferred taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method using tax rates enacted at the statement of financial position dates which are disclosed in the table and explanations above.

Deferred tax assets and liabilities are presented in net in the consolidated financial statements of the Group, since they are presented in net in the financial statements of subsidiaries and joint ventures, which are each individual tax payers. Temporary differences, deferred tax assets and deferred tax liabilities at the table below are presented based on gross amounts.

Sesa Ambalaj and Galata Wind, one of the subsidiaries of the Group, based on the "Law on Restructuring of Certain Receivables and Amending Certain Laws" dated 3/6/2021 and numbered 7326, considering the increase rate of the value of their immovables in their assets in the D-PPI recalculated and the differences arising from this valuation were recorded in the statutory accounting records. However, the valuation envisaged in the Law is an inflation indexing method and it is not a suitable method for the TFRS revaluation model, as the increase in value achieved by indexing will not serve the fair value considered within the scope of TFRS 13. The Group continues to account for the relevant immovables using the cost method in its TFRS financial statements. Accordingly, deferred tax income resulting from the reduction of temporary differences between statutory accounting records and TFRS records as a result of revaluation is recognized in the consolidated statement of profit or loss at once.

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred tax has been provided at 31 December 2021 and 31 December 2020 using the enacted tax rates are as follows:

|  | Cumulative temporary differences |                    | Deferred tax assets/(liabilities) |                  |
|--|----------------------------------|--------------------|-----------------------------------|------------------|
|  | 31 December 2021                 | 31 December 2020   | 31 December 2021                  | 31 December 2020 |
| Deductible tax losses  | 188,121                          | 297,715            | 40,254                            | 59,543           |
| Provision for employment termination and unused vacation benefits  | 135,823                          | 79,638             | 31,239                            | 15,928           |
| Deferred financial income of trade receivables   | 11,629                           | 5,665              | 2,675                             | 1,133            |
| Provision for doubtful receivables   | 41,865                           | 37,640             | 9,629                             | 7,528            |
| Other  | 90,740                           | 95,870             | 22,685                            | 19,174           |
| <b>Deferred tax assets</b>   | <b>468,178</b>                   | <b>516,528</b>     | <b>106,482</b>                    | <b>103,306</b>   |
| Net differences between the tax and registered value of property, plant and equipment, inventories and intangible assets | (1,112,740)                      | (1,013,710)        | (222,548)                         | (202,742)        |
| Net differences between the fair values of investment properties and values of taxation                                  | (834,179)                        | (391,399)          | (107,475)                         | (63,623)         |
| <b>Deferred tax liabilities</b>  | <b>(1,946,919)</b>               | <b>(1,405,109)</b> | <b>(330,023)</b>                  | <b>(266,365)</b> |
| <b>Deferred tax assets/(liabilities), net</b>  |                                  |                    | <b>(223,541)</b>                  | <b>(163,059)</b> |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 33 - INCOME TAXES (Continued)

##### *Deferred tax (Continued)*

Conclusions of netting has been reflected to consolidated statement of financial position of the Group, since Doğan Holding, subsidiaries and joint ventures, which are separate taxpayer companies, have booked their deferred tax assets and liabilities by netting in their financial statements that were prepared in accordance with the TAS. Temporary differences and deferred tax assets and liabilities shown above have been prepared on the basis of gross values.

The Group recognized deferred tax assets over TRY188,121 of carry forward tax losses in the consolidated financial statements prepared in accordance with the TAS as of 31 December 2021 (31 December 2020: TRY297,715). As of 31 December 2021 and 31 December 2020, the maturity analysis of carry forward tax losses is as follows:

|                | 31 December 2021 | 31 December 2020 |
|----------------|------------------|------------------|
| 2022 and after | (188,121)        | (297,715)        |
|                | <b>(188,121)</b> | <b>(297,715)</b> |

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Movements for net deferred taxes for the interim periods as of 31 December 2021 and 2020 are as follows:

|                                    | 2021             | 2020             |
|------------------------------------|------------------|------------------|
| <b>1 January</b>                   | <b>(163,059)</b> | <b>(31,089)</b>  |
| Current period income (expense)    | (88,074)         | (18,861)         |
| Currency translation differences   | 9,356            | (427)            |
| Acquisition of subsidiary (Note 3) | (9,073)          | (112,783)        |
| Disposal of subsidiary (Note 32)   | -                | (953)            |
| Tax recognized under equity        | 27,309           | 1,054            |
| <b>31 December</b>                 | <b>(223,541)</b> | <b>(163,059)</b> |

The taxes on income reflected to the consolidated statement of profit or loss for the periods ended 31 December 2021 and 2020 are summarized below:

|                                   | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|-----------------------------------|------------------------------------|------------------------------------|
| Tax expense for the period        | (695,613)                          | (269,028)                          |
| Deferred tax income/(expense)     | (88,074)                           | (18,861)                           |
| <b>Total tax (expense)/income</b> | <b>(783,687)</b>                   | <b>(287,889)</b>                   |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 33 - INCOME TAXES (Continued)

##### *Deferred tax (Continued)*

The reconciliation of the taxation on income in the consolidated statement of profit or loss for the interim periods ended 31 December 2021 and 2020 and the tax calculated at the corporate tax rate based on the income before minority interests and taxation on income are as follows:

|   | 2020             | 2019             |
|---|------------------|------------------|
| Income/(Loss) before tax and non-controlling interests  | 3,846,176        | 1,731,970        |
| Current period tax income/(expense) calculated at 25% effective tax rate (2020: 22%)                              | (961,544)        | (381,033)        |
| Effect of carryforward tax losses not subject to deferred tax asset   | (9,443)          | (3,476)          |
| Effect of investments accounted for by the equity method  | (10,627)         | (2,119)          |
| Effect of expenses non- deductible/not subject to tax   | (31,956)         | (4,461)          |
| Effect of change in statutory tax rate on deferred tax  | 11,276           | (5,080)          |
| Exceptions and discounts  | 152,579          | 94,198           |
| Current period portion of prior period carry forward tax losses used that are subject to deferred tax calculation | 62,070           | 15,424           |
| Other   | 3,958            | (1,342)          |
| <b>31 December</b>  | <b>(783,687)</b> | <b>(287,889)</b> |

#### NOTE 34 - EARNING/LOSS PER SHARE

Gain/(loss) per share for each class of shares is disclosed below:

|   | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|---|------------------------------------|------------------------------------|
| Net profit/(loss) for the period attributable to equity holders of the Parent Company | 2,828,476                          | 1,390,240                          |
| Weighted average number of shares with face value of TRY1 each <sup>(1)</sup>         | 2,595,924                          | 2,604,346                          |
| <b>Earning/(loss) per share</b>   | <b>1.090</b>                       | <b>0.534</b>                       |

<sup>(1)</sup> As explained in detail in Note 25, repurchased shares are excluded.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 35 - RELATED PARTY DISCLOSURES

As of the statement of financial position date, due from and to related parties and related party transactions for the interim periods ending 31 December 2021 and 31 December 2020 are disclosed below:

##### i) Balances with related parties

##### Short term trade receivables from related parties

|   | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| D Market Elektronik Hizmetler ve Ticaret A.Ş. ("D Market") <sup>(1) (2) (8)</sup>                     | 2,689            | 422              |
| Gümüştaş Madencilik ve Ticaret A.Ş. ("Gümüştaş") <sup>(1) (5) (6)</sup>                               | 1,027            | 949              |
| Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda") <sup>(1) (3) (4)</sup>                 | 728              | 1,997            |
| Ortadoğu Otomotiv Ticaret A.Ş. ("Ortadoğu Otomotiv") <sup>(6)</sup>                                   | 287              | 302              |
| Doğan Müzik Yapım ve Ticaret A.Ş. ("DMC") <sup>(1) (3)</sup>  | 78               | 68               |
| Doğan Yayınları Yayıncılık ve Yayıncılık Ticaret A.Ş. ("Doğan Yayıncılık") <sup>(1) (3) (4) (7)</sup> | -                | 527              |
| Other   | 327              | 544              |
| <b>Total</b>  | <b>5,136</b>     | <b>4,809</b>     |

(1) Receivables related to rent service sales of the Group.

(2) Receivables related to trade good sales of the Group.

(3) Receivables related to the Group's financial, legal, information processing and other areas of service sales.

(4) Receivables related to raw material sales of the Group.

(5) Receivables related to fuel oil sales of the Group.

(6) Receivables related to operating cost chargeout of the Group.

(8) Doğan Yayıncılık is a subsidiary of the Group as of 26 April 2021 (Note 3).

(9) Receivables related to loan sale of D Yatırım, one of the subsidiaries of the group.

##### Short term receivables from finance sector operations to related parties

|                         | 31 December 2021 | 31 December 2020 |
|-------------------------|------------------|------------------|
| D Market <sup>(1)</sup> | 44,064           | -                |
| <b>Total</b>            | <b>44,064</b>    | <b>-</b>         |

(1) Consists of receivables of D Yatırım, a subsidiary of the Group.

##### Short term trade payables to related parties

|                                  | 31 December 2021 | 31 December 2020 |
|----------------------------------|------------------|------------------|
| D Market <sup>(1)</sup>          | 2,322            | 1,537            |
| Ortadoğu Otomotiv <sup>(2)</sup> | 388              | 122              |
| Other                            | 125              | 67               |
| <b>Total</b>                     | <b>2,835</b>     | <b>1,726</b>     |

(1) Mostly comprises of purchases of stationery consumables, small fixtures and gift certificates of the Group.

(2) Payables related to rent service purchases of the Group.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 35 - RELATED PARTY DISCLOSURES (Continued)

##### i) Balances with related parties: (Continued)

##### Short-term portion of long-term lease payables to related parties

|                   | 31 December 2021 | 31 December 2020 |
|-------------------|------------------|------------------|
| Ortadoğu Otomotiv | 5,314            | 2,512            |
| Aydın Doğan Vakfı | 4,237            | 3,330            |
| Other             | 23               | 13               |
| <b>Total</b>      | <b>9,574</b>     | <b>5,855</b>     |

##### Long-term lease payables to related parties

|                   | 31 December 2021 | 31 December 2020 |
|-------------------|------------------|------------------|
| Aydın Doğan Vakfı | 12,839           | 13,771           |
| Ortadoğu Otomotiv | -                | 372              |
| Other             | -                | 5                |
| <b>Total</b>      | <b>12,839</b>    | <b>14,148</b>    |

##### Short-term other payables to related parties

|                              | 31 December 2021 | 31 December 2020 |
|------------------------------|------------------|------------------|
| Profil Sanayi <sup>(1)</sup> | 27,107           | -                |
| <b>Total</b>                 | <b>27,107</b>    | <b>-</b>         |

<sup>(1)</sup> It is related to acquisition of Profil Sanayi, the details of which are disclosed in Note 3. The debt related to the shareholders of Profil Sanayi.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 35 - RELATED PARTY DISCLOSURES (Continued)

##### ii) Transactions with related parties:

##### Product and service purchases from related parties

|                                  | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|----------------------------------|------------------------------------|------------------------------------|
| Ortadoğu Otomotiv <sup>(2)</sup> | 15,508                             | 12,175                             |
| D Market <sup>(4)</sup>          | 3,881                              | 2,362                              |
| Doğan Burda <sup>(3)</sup>       | 2,821                              | 2,669                              |
| Other                            | 1,740                              | 1,451                              |
| <b>Total</b>                     | <b>23,950</b>                      | <b>18,657</b>                      |

(2) Comprises of the lease services purchases of the Group.

(3) Comprises of the magazine purchases of the Group.

(4) Comprises of mainly stationery supplies, small fixtures and gift vouchers purchase of the Group.

##### Product and service sales to related parties

|   | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|---|------------------------------------|------------------------------------|
| D-Market <sup>(1) (5) (7)</sup>             | 80,729                             | 51,965                             |
| Doğan Burda <sup>(1) (3) (5)</sup>          | 14,431                             | 13,596                             |
| Gümüştaş Madencilik <sup>(2) (4) (5)</sup>  | 10,004                             | 11,037                             |
| Doğan Yayıncılık <sup>(1) (3) (4) (5)</sup> | 4,387                              | 13,782                             |
| Ortadoğu Otomotiv <sup>(2) (6)</sup>        | 3,746                              | 6,580                              |
| D Elektronik <sup>(5)</sup>                 | 3,021                              | 4,081                              |
| Other                                       | 6,904                              | 7,449                              |
| <b>Total</b>                                | <b>123,222</b>                     | <b>108,490</b>                     |

(1) The balance consists of raw material and trade goods sales of the Group.

(2) The balance consists of receivables related to operating cost reflection of the Group.

(3) The balance consists financial, legal, data processing and other consultancy services sales of the Group.

(4) The balance consists of fuel oil sales of the Group.

(5) The balance consists of the Group's sales of lease services.

(6) The balance consists of vehicle, inventory and small fixtures sales of the Group.

(7) The balance consists of loan sale of D Yatırım, one of the subsidiaries of the group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 35 - RELATED PARTY DISCLOSURES (Continued)****Remuneration of the members of the Board of Directors and key management personnel:**

Group determined member of the Board of Director's, Consultant of the Board, Members of the Executive Board and Vice President's, Chief Legal Counsel and Director's as Key Management Personnel. The compensation of board members and key management personnel includes salaries, bonus, health insurance, communication and transportation benefits and total amount of compensation is explained below:

|   | 1 January -<br>31 December<br>2021 | 1 January -<br>31 December<br>2020 |
|---|------------------------------------|------------------------------------|
| Salaries and other<br>short term benefits | 26,967                             | 26,618                             |
| <b>Total</b>                              | <b>26,967</b>                      | <b>26,618</b>                      |

**NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES*****Financial Instruments and Financial Risk Management***

The Group's activities expose it to a variety of financial risks; these risks are credit risk, market risk including the effects of changes in debt and equity market prices, foreign currency exchange rates, fair value interest rate risk and cash flow interest rate risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments in a limited manner to hedge these exposures.

Financial risk management is carried out by individual subsidiaries and joint ventures under the policies, which are approved by their Board of Directors within the limits of general principles set out by the Group.

**a) Market risk****a.1) Foreign currency risk**

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency liabilities to local currency. These risks are monitored and limited by analyzing foreign currency position. TRY equivalents of foreign currency denominated monetary assets and liabilities as of 31 December 2021 and 31 December 2020 before consolidation adjustments and reclassifications are as follows:

The Group is exposed to foreign exchange risk arising primarily from the USD and EUR, the other currencies have no material impact.

|                                      | 31 December 2021 | 31 December 2020 |
|--------------------------------------|------------------|------------------|
| Foreign currency assets              | 7,071,577        | 3,475,705        |
| Foreign currency liabilities         | (2,208,301)      | (693,497)        |
| <b>Net foreign currency position</b> | <b>4,863,276</b> | <b>2,782,208</b> |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### a) Market risk (Continued)

Sensitivity analysis of foreign currency risk as of 31 December 2021 and 31 December 2020 and foreign currency denominated asset and liability balances are summarized below. The recorded amounts of foreign currency assets and liabilities held by the Group are as follows, in terms of foreign currency:

| 31 December 2021  | TRY Equivalent   | USD            | EUR            | Other          |
|---|------------------|----------------|----------------|----------------|
| 1a. Trade Receivables   | 374,771          | 11,037         | 12,775         | 34,926         |
| 1b. Receivables From Finance Sector Operations  | -                | -              | -              | -              |
| 2a. Monetary Financial Assets<br>(Cash, banks included)   | 2,627,496        | 128,630        | 55,694         | 72,748         |
| 2b. Non-Monetary Financial Assets   | 3,914,630        | 204,112        | 72,844         | 95,046         |
| 3. Other  | 97,856           | 5,612          | 1,528          | -              |
| <b>4. Current Assets (1+2+3)</b>  | <b>7,014,753</b> | <b>349,391</b> | <b>142,841</b> | <b>202,720</b> |
| 5a. Trade Receivables   | -                | -              | -              | -              |
| 5b. Receivables From Finance Sector Operations  | -                | -              | -              | -              |
| 6a. Monetary Financial Assets   | -                | -              | -              | -              |
| 6b. Non-Monetary Financial Assets   | -                | -              | -              | -              |
| 7. Other  | 56,824           | 2,399          | 1,647          | -              |
| <b>8. Non-Current Assets (5+6+7)</b>  | <b>56,824</b>    | <b>2,399</b>   | <b>1,647</b>   | <b>-</b>       |
| <b>9. Total Assets (4+8)</b>  | <b>7,071,577</b> | <b>351,790</b> | <b>144,488</b> | <b>202,720</b> |
| 10a. Trade Payables   | 961,223          | 60,274         | 10,293         | 817            |
| 10b. Payables From Finance Sector Operations  | -                | -              | -              | -              |
| 11. Financial Liabilities   | 221,386          | 456            | 14,245         | -              |
| 12a. Other Monetary Liabilities   | 1,301            | 8              | 79             | -              |
| 12b. Other Non-Monetary Liabilities   | 3,846            | 159            | 114            | -              |
| <b>13. Short Term Liabilities (10+11+12)</b>  | <b>1,187,756</b> | <b>60,897</b>  | <b>24,731</b>  | <b>817</b>     |
| 14a. Trade Payables   | -                | -              | -              | -              |
| 14b. Payables From Finance Sector Operations  | -                | -              | -              | -              |
| 15. Financial Liabilities   | 1,020,545        | 25,066         | 45,378         | -              |
| 15. Other Monetary Liabilities  | -                | -              | -              | -              |
| 16. Other Non-Monetary Liabilities  | -                | -              | -              | -              |
| <b>17. Non-Current Liabilities (14+15+16)</b>   | <b>1,020,545</b> | <b>25,066</b>  | <b>45,378</b>  | <b>-</b>       |
| <b>18. Total Liabilities (13+17)</b>  | <b>2,208,301</b> | <b>85,963</b>  | <b>70,109</b>  | <b>817</b>     |
| <b>19. Net Asset/(Liability) Position Of<br/>Off Statement of Financial Position<br/>Derivative Instruments (19a-19b)</b> | <b>-</b>         | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>19a. Off Statement of Financial Position<br/>Foreign Currency Derivative Assets</b>                                    | <b>-</b>         | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>19b. Off Statement of Financial Position<br/>Foreign Currency Derivative Liabilities</b>                               | <b>-</b>         | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>20. Net Foreign Currency Asset/(Liability)<br/>Position (9-18+19)</b>  | <b>4,863,276</b> | <b>265,827</b> | <b>74,379</b>  | <b>201,903</b> |
| <b>21. Net Foreign Currency Asset/(Liability)<br/>Position of Monetary Items<br/>(1+2a+5+6a-10-11-12a-14-15-16a)</b>      | <b>952,492</b>   | <b>61,874</b>  | <b>1,649</b>   | <b>106,857</b> |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### a) Market risk (Continued)

| 31 December 2020  | TRY Equivalent   | USD            | EUR           | Other         |
|---|------------------|----------------|---------------|---------------|
| 1a. Trade Receivables                                   | 149,713          | 5,792          | 10,408        | 13,443        |
| 1b. Receivables From Finance Sector Operations          | -                | -              | -             | -             |
| 2a. Monetary Financial Assets<br>(Cash, banks included) | 1,714,286        | 178,230        | 43,041        | 18,280        |
| 2b. Non-Monetary Financial Assets                       | 1,605,900        | 197,217        | 14,256        | 29,812        |
| 3. Other  | 5,806            | 233            | 380           | 672           |
| <b>4. Current Assets (1+2+3)</b>                        | <b>3,475,705</b> | <b>381,472</b> | <b>68,085</b> | <b>62,207</b> |
| 5a. Trade Receivables                                   | -                | -              | -             | -             |
| 5b. Receivables From Finance Sector Operations          | -                | -              | -             | -             |
| 6a. Monetary Financial Assets                           | -                | -              | -             | -             |
| 6b. Non-Monetary Financial Assets                       | -                | -              | -             | -             |
| 7. Other  | -                | -              | -             | -             |
| <b>8. Non-Current Assets (5+6+7)</b>                    | <b>-</b>         | <b>-</b>       | <b>-</b>      | <b>-</b>      |
| <b>9. Total Assets (4+8)</b>                            | <b>3,475,705</b> | <b>381,472</b> | <b>68,085</b> | <b>62,207</b> |
| 10a. Trade Payables                                     | 355,976          | 34,228         | 11,623        | 27            |
| 10b. Payables From Finance Sector Operations            | -                | -              | -             | -             |
| 11. Financial Liabilities                               | 82,822           | 2,270          | 7,344         | -             |
| 12a. Other Monetary Liabilities                         | 1,458            | 109            | 73            | -             |
| 12b. Other Non-Monetary Liabilities                     | -                | -              | -             | -             |
| <b>13. Short Term Liabilities (10+11+12)</b>            | <b>440,256</b>   | <b>36,607</b>  | <b>19,040</b> | <b>27</b>     |
| 14a. Trade Payables                                     | -                | -              | -             | -             |
| 14b. Payables From Finance Sector Operations            | -                | -              | -             | -             |
| 15. Financial Liabilities                               | 253,241          | 2,736          | 25,884        | -             |
| 16a. Other Monetary Liabilities                         | -                | -              | -             | -             |
| 16b. Other Non-Monetary Liabilities                     | -                | -              | -             | -             |
| <b>17. Non-Current Liabilities (14+15+16)</b>           | <b>253,241</b>   | <b>2,736</b>   | <b>25,884</b> | <b>-</b>      |
| <b>18. Total Liabilities (13+17)</b>                    | <b>693,497</b>   | <b>39,343</b>  | <b>44,924</b> | <b>27</b>     |
| <b>19. Net Asset/(Liability) Position Of</b>            |                  |                |               |               |
| <b>Off Statement of Financial Position</b>              |                  |                |               |               |
| <b>Derivative Instruments (19a-19b)</b>                 | -                | -              | -             | -             |
| <b>19a. Off Statement of Financial Position</b>         |                  |                |               |               |
| <b>Foreign Currency Derivative Assets</b>               | -                | -              | -             | -             |
| <b>19b. Off Statement of Financial Position</b>         |                  |                |               |               |
| <b>Foreign Currency Derivative Liabilities</b>          | -                | -              | -             | -             |
| <b>20. Net Foreign Currency Asset/(Liability)</b>       |                  |                |               |               |
| <b>Position (9-18+19)</b>                               | <b>2,782,208</b> | <b>342,129</b> | <b>23,161</b> | <b>62,180</b> |
| <b>21. Net Foreign Currency Asset/(Liability)</b>       |                  |                |               |               |
| <b>Position of Monetary Items</b>                       |                  |                |               |               |
| <b>(1+2a+5+6a-10-11-12a-14-15-16a)</b>                  | <b>1,170,503</b> | <b>144,679</b> | <b>8,525</b>  | <b>31,696</b> |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### a) Market risk (Continued)

##### 31 December 2021

|  | Income/(Loss)                |                              |
|--|------------------------------|------------------------------|
|  | Foreign currency appreciates | Foreign currency depreciates |
| If the USD had changed by 20% against the TRY              |                              |                              |
| 1- USD net assets)/(liabilities)                           | 708,229                      | (708,229)                    |
| 2- Hedging amount of USD (-)                               | -                            | -                            |
| <b>3- USD net effect on income/(loss) (1+2)</b>            | <b>708,229</b>               | <b>(708,229)</b>             |
| If the EUR had changed by 20% against the TRY              |                              |                              |
| 4- EUR net assets)/(liabilities)                           | 224,045                      | (224,045)                    |
| 5- Hedging amount of EUR (-)                               | -                            | -                            |
| <b>6- EUR net effect on income/(loss) (4+5)</b>            | <b>224,045</b>               | <b>(224,045)</b>             |
| If the other currencies had changed by 20% against the TRY |                              |                              |
| 7- Other currency net assets)/(liabilities)                | 40,381                       | (40,381)                     |
| 8- Hedging amount of other currency (-)                    | -                            | -                            |
| <b>9- Other currency net effect on (loss)/income (7+8)</b> | <b>40,381</b>                | <b>(40,381)</b>              |
| <b>TOTAL (3+6+9)</b>                                       |                              |                              |

##### 31 December 2020

|  | Income/(Loss)                |                              |
|--|------------------------------|------------------------------|
|  | Foreign currency appreciates | Foreign currency depreciates |
| If the USD had changed by 20% against the TRY              |                              |                              |
| 1- USD net (liabilities)/assets                            | 502,280                      | (502,280)                    |
| 2- Hedging amount of USD (-)                               | -                            | -                            |
| <b>3- USD net effect on income/(loss) (1+2)</b>            | <b>502,280</b>               | <b>(502,280)</b>             |
| If the EUR had changed by 20% against the TRY              |                              |                              |
| 4- EUR net (liabilities)/assets                            | 41,726                       | (41,726)                     |
| 5- Hedging amount of EUR (-)                               | -                            | -                            |
| <b>6- EUR net effect on (loss)/income (4+5)</b>            | <b>41,726</b>                | <b>(41,726)</b>              |
| If the other currencies had changed by 20% against the TRY |                              |                              |
| 7- Other currency net (liabilities)/assets                 | 12,436                       | (12,436)                     |
| 8- Hedging amount of other currency (-)                    | -                            | -                            |
| <b>9- Other currency net effect on (loss)/income (7+8)</b> | <b>12,436</b>                | <b>(12,436)</b>              |
| <b>TOTAL (3+6+9)</b>                                       | <b>556,442</b>               | <b>(556,442)</b>             |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### a) *Market risk (Continued)*

##### a.2) *Interest rate risk*

Other operating segments are exposed to interest rate risk because of financial liabilities of these segments. Financial obligations in this segment are mainly composed of floating rate borrowings.

As of 31 December 2021, there is no floating interest rate loan in US Dollars (31 December 2020: None).

As of 31 December 2021 if interest rates on Euro denominated borrowings had been higher/lower by 100 basis points with all other variables held constant, profit before income taxes would have been TRY4,420 (31 December 2020: TRY1,028) higher/lower, mainly as a result of additional interest expense on floating rate borrowings.

The table presenting Group's fixed and floating rate financial instruments is shown below:

|  | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| <b>Financial instruments with fixed rate</b>           |                  |                  |
| Financial assets                                       |                  |                  |
| - Banks (Note 6)                                       | 1,868,975        | 2,338,267        |
| - Receivables from finance sector operations (Note 10) | 1,217,858        | 754,149          |
| - Financial investments (Note 7)                       | 5,076,315        | 2,424,023        |
| Financial liabilities                                  |                  |                  |
| - Payables from finance sector operations (Note 10)    | 7,908            | 4,590            |
| - Financial liabilities (Note 8)                       | 4,215,349        | 2,795,505        |
| <b>Financial instruments with floating rate</b>        |                  |                  |
| Financial liabilities (Note 8)                         | 441,951          | 102,756          |
| Payables from finance sector operations (Note 10)      | -                | -                |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### a) Market risk (Continued)

The average annual interest rates (%) of the Group's financial assets and liabilities are as follows:

|  | 31 December 2021 |             |               | 31 December 2020 |             |               |
|--|------------------|-------------|---------------|------------------|-------------|---------------|
|  | USD              | EUR         | TRY           | USD              | EUR         | TRY           |
| <b>Assets</b>  |                  |             |               |                  |             |               |
| Cash and cash equivalents (Note 6)                   | 0.01 - 5.05      | 0.01 - 3.50 | 11.00 - 22.00 | 0.05 - 3.60      | 2.20 - 3.10 | 13.57 - 18.00 |
| Financial investments (Note 7)                       | 0.12 - 13.87     | 4.12 - 5.20 | -             | 2.5 - 13.87      | 2.37 - 5.20 | -             |
| Receivables from finance sector operations (Note 10) | -                | -           | 7.53 - 28.08  | -                | -           | 8.08 - 23.46  |
| <b>Liabilities</b>                                   |                  |             |               |                  |             |               |
| Financial liabilities (Note 8) <sup>(1)</sup>        | 1.22 - 12.41     | 0.60 - 6.50 | 9.27 - 30.00  | 5.45 - 12.41     | 0.60 - 4.65 | 3.60 - 26.15  |
| Payables from finance sector operations (Note 10)    | -                | -           | 15.75 - 35.00 | -                | -           | 8.50 - 20.50  |

The distribution of interest rate sensitivity regarding the remaining period for repricing of financial assets and liabilities is as follows:

| 31 December 2021  | Up to 1 year        | 1 year- 5 years        | Over 5 years        | Free of Interest        | Total             |
|---|---------------------|------------------------|---------------------|-------------------------|-------------------|
| <b>Assets</b>   |                     |                        |                     |                         |                   |
| Cash and cash equivalents (Note 6)                                | 1,868,975           | -                      | -                   | 2,777,152               | 4,646,127         |
| Financial investments (Note 7)                                    | 5,076,315           | -                      | -                   | -                       | 5,076,315         |
| Receivables from finance sector operations (Note 10)              | 1,203,554           | 14,304                 | -                   | -                       | 1,217,858         |
| <b>Total</b>  | <b>8,148,844</b>    | <b>14,304</b>          | <b>-</b>            | <b>2,777,152</b>        | <b>10,940,300</b> |
| Payables from finance sector operations (Note 10)                 | 7,908               | -                      | -                   | -                       | 7,908             |
| Short and long term financial liabilities (Note 8) <sup>(1)</sup> | 3,219,185           | 1,082,956              | 355,159             | -                       | 4,657,300         |
| <b>Total</b>  | <b>3,227,093</b>    | <b>1,082,956</b>       | <b>355,159</b>      | <b>-</b>                | <b>4,665,208</b>  |
| <b>31 December 2020</b>   | <b>Up to 1 year</b> | <b>1 year- 5 years</b> | <b>Over 5 years</b> | <b>Free of Interest</b> | <b>Total</b>      |
| <b>Assets</b>   |                     |                        |                     |                         |                   |
| Cash and cash equivalents (Note 6)                                | 2,338,267           | -                      | -                   | 567,680                 | 2,905,947         |
| Financial investments (Note 7)                                    | 2,424,023           | -                      | -                   | -                       | 2,424,023         |
| Receivables from finance sector operations (Note 10)              | 736,330             | 17,819                 | -                   | -                       | 754,149           |
| <b>Total</b>  | <b>5,498,620</b>    | <b>17,819</b>          | <b>-</b>            | <b>567,680</b>          | <b>6,084,119</b>  |
| Payables from finance sector operations (Note 10)                 | 4,590               | -                      | -                   | -                       | 4,590             |
| Short and long term financial liabilities (Note 8) <sup>(1)</sup> | 1,837,220           | 1,016,873              | 44,168              | -                       | 2,898,261         |
| <b>Total</b>  | <b>1,841,810</b>    | <b>1,016,873</b>       | <b>44,168</b>       | <b>-</b>                | <b>2,902,851</b>  |

<sup>(1)</sup> Bank borrowings and financial leasing amounts are included in the distribution of interest rate sensitivity regarding the remaining time to repricing of financial borrowings.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

##### b) Credit risk

Credit risk involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and by setting credit limits to individual counterparties. The credit risk is generally highly diversified due to the large number of entities comprising the customer bases and their dispersion across many different industries.

The table representing the Group's credit risk of financial instruments as of 31 December 2021 is as follows:

|   | Trade receivables |                  | Receivables from finance<br>sector operations |                  | Other receivables |               | Cash on<br>deposit |
|---|-------------------|------------------|---|------------------|-------------------|---------------|--------------------|
|   | Related Party     | Other            | Related Party                                 | Other            | Related Party     | Other         |                    |
| <b>Maximum net credit risk as of<br/>the reporting date</b>                                   | <b>5,136</b>      | <b>1,840,217</b> | <b>44,064</b>                                 | <b>1,173,794</b> | <b>-</b>          | <b>74,528</b> | <b>4,640,653</b>   |
| <b>- The part of maximum risk under guarantee<br/>with collateral</b>                         | <b>-</b>          | <b>1,012,410</b> | <b>-</b>                                      | <b>1,173,794</b> | <b>-</b>          | <b>-</b>      | <b>-</b>           |
| A. Net book value of neither past due nor impaired<br>financial assets                        | 5,136             | 1,660,695        | -   | 1,173,794        | -                 | 74,528        | 4,640,653          |
| - Guaranteed amount by collateral   | -                 | 888,148          | -   | 1,173,794        | -                 | -             | -                  |
| B. Book value of restructured otherwise<br>accepted as past due and impaired financial assets | -                 | -                | -   | -                | -                 | -             | -                  |
| Net book value of past due<br>but not impaired assets (Note 9, 10)                            | -                 | 179,522          | -   | -                | -                 | -             | -                  |
| - Guaranteed amount by collateral (Note 9, 10)  | -                 | 123,992          | -   | -                | -                 | -             | -                  |
| D. Impaired asset net book value  | -                 | -                | -   | -                | -                 | -             | -                  |
| - Past due (gross amount) (Note 9, 10, 20)  | -                 | 80,338           | -   | 41,356           | -                 | -             | -                  |
| - Impairment (-) (Dipnot 9, 10, 20)   | -                 | (80,338)         | -   | (41,356)         | -                 | -             | -                  |
| - Net value collateralized or guaranteed  | -                 | -                | -   | -                | -                 | -             | -                  |



# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### b) Credit risk (Continued)

The table representing the Group's credit risk of financial instruments as of 31 December 2020 is as follows:

|   | Trade receivables |           | Receivables from finance<br>sector operations |          | Other receivables |        | Cash on<br>deposit |
|---|-------------------|-----------|---|----------|-------------------|--------|--------------------|
|   | Related Party     | Other     | Related Party                                 | Other    | Related Party     | Other  |                    |
| Maximum net credit risk as of<br>the reporting date   | 4,809             | 1,055,870 | -   | 754,149  | -                 | 33,669 | 2,903,415          |
| - The part of maximum risk under guarantee<br>with collateral                                 | -                 | 627,611   | -   | 754,149  | -                 | -      | -                  |
| A. Net book value of neither past due nor impaired<br>financial assets                        | 4,809             | 952,876   | -   | 754,149  | -                 | 33,669 | 2,903,415          |
| - Guaranteed amount by collateral   | -                 | 562,460   | -   | 754,149  | -                 | -      | -                  |
| B. Book value of restructured otherwise<br>accepted as past due and impaired financial assets | -                 | -         | -   | -        | -                 | -      | -                  |
| Net book value of past due<br>but not impaired assets (Note 9, 10)                            | -                 | 102,994   | -   | -        | -                 | -      | -                  |
| - Guaranteed amount by collateral (Note 9, 10)  | -                 | 65,151    | -   | -        | -                 | -      | -                  |
| D. Impaired asset net book value  | -                 | -         | -   | -        | -                 | -      | -                  |
| - Past due (gross amount) (Note 9, 10, 20)  | -                 | 81,942    | -   | 34,008   | -                 | -      | -                  |
| - Impairment (-) (Dipnot 9, 10, 20)   | -                 | (81,942)  | -   | (34,008) | -                 | -      | -                  |
| - Net value collateralized or guaranteed  | -                 | -         | -   | -        | -                 | -      | -                  |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### b) Credit risk (Continued)

##### Trade receivable

The aging of the receivables of the Group, which are past due but not impaired including related party balances by taking into consideration past due dates are as follows:

|                           | 31 December 2021 |                   | 31 December 2020 |                   |
|---------------------------|------------------|-------------------|------------------|-------------------|
|                           | Related party    | Other receivables | Related party    | Other receivables |
| Maturity                  |                  |                   |                  |                   |
| 1-30 days overdue         | -                | 87,849            | -                | 39,637            |
| 1-3 months overdue        | -                | 39,357            | -                | 12,545            |
| 3-12 months overdue       | -                | 15,494            | -                | 15,657            |
| 1-5 years overdue         | -                | 36,702            | -                | 35,067            |
| More than 5 years overdue | -                | 120               | -                | 88                |
| <b>Total</b>              | <b>-</b>         | <b>179,522</b>    | <b>-</b>         | <b>102,994</b>    |

|                          | 31 December 2021  |                   |                                     | 31 December 2020  |                   |                                     |
|--------------------------|-------------------|-------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
|                          | Trade receivables | Credit loss ratio | Expected credit loss <sup>(1)</sup> | Trade receivables | Credit loss ratio | Expected credit loss <sup>(1)</sup> |
| Not overdue              | 1,103             | 0.96%             | 11                                  | 1,163             | 2.86%             | 33                                  |
| 1 - 30 days overdue      | 2,334             | 1.34%             | 31                                  | 477               | 5.80%             | 28                                  |
| 1 - 3 months overdue     | 82                | 1.50%             | 1                                   | 899               | 6.79%             | 61                                  |
| 3 - 12 months overdue    | 559               | 1.93%             | 12                                  | 443               | 9.52%             | 42                                  |
| More than 1 year overdue | 151               | 2.97%             | 4                                   | 1,925             | 18.63%            | 358                                 |
| <b>Total</b>             | <b>4,229</b>      |                   | <b>59</b>                           | <b>4,907</b>      |                   | <b>522</b>                          |

<sup>(1)</sup> The balance consists of trade receivables of the companies for which the credit loss is calculated.

##### Receivables from finance sector operations

As of 31 December 2021, the rating concentration of the overdue corporate and commercial loans of the finance sector is as follows:

|               | Rating         | Distribution level (%) |
|---------------|----------------|------------------------|
| Above average | 105,000        | 53                     |
| Average       | 44,603         | 22                     |
| Below average | 50,886         | 25                     |
| <b>Total</b>  | <b>200,489</b> | <b>100</b>             |

The sectoral details of receivables from finance sector operations are as follows:

|                               | 31 December 2021 | %          |
|-------------------------------|------------------|------------|
| Production                    | 417,770          | 34.30      |
| Food and retail               | 135,404          | 11.12      |
| Financial institutions        | 125,233          | 10.28      |
| Real estate                   | 74,682           | 6.13       |
| Consumer loans <sup>(*)</sup> | 6,989            | 0.57       |
| Other sectors                 | 457,780          | 37.60      |
|                               | <b>1,217,858</b> | <b>100</b> |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### b) Credit risk (Continued)

##### Receivables from finance sector operations (Continued)

|                    | 31 December 2020 | %          |
|--------------------|------------------|------------|
| Production         | 278,207          | 36.89      |
| Food and retail    | 91,605           | 12.15      |
| Real Estate        | 41,766           | 5.54       |
| Consumer loans (*) | -                | -          |
| Other sectors      | 342,571          | 45.42      |
|                    | <b>754,149</b>   | <b>100</b> |

(\*) Due to D Yatırım started its operations in 2021, there is no loan given in 2020.

#### c) Liquidity risk

Conservative liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims maintaining flexibility in funding by keeping committed credit lines available.

As of 31 December 2021 and 31 December 2020 undiscounted cash flows of financial liabilities based on the agreement maturities are as follows:

|  | Book value       | Contractual undiscounted cash flow | Less than 3 months | 3 - 12 months    | 1 - 5 years      | Over 5 years   |
|--|------------------|------------------------------------|--------------------|------------------|------------------|----------------|
| <b>31 December 2021</b>  |                  |                                    |                    |                  |                  |                |
| <b>Non-derivative financial liabilities</b>                              |                  |                                    |                    |                  |                  |                |
| Short term and long term financial liabilities (Note 8)                  | 4,361,745        | 5,592,297                          | 1,952,612          | 2,286,855        | 1,170,344        | 182,486        |
| Lease payables (Note 8)  | 295,555          | 422,537                            | 19,461             | 48,009           | 169,509          | 185,558        |
| Trade payables to non-related parties (Note 9)                           | 1,913,270        | 1,916,230                          | 1,870,150          | 46,080           | -                | -              |
| Payables from finance sector operations to non-related parties (Note 10) | 7,908            | 7,908                              | -                  | 7,908            | -                | -              |
| Other payables to related parties (Note 35)                              | 27,107           | 27,107                             | 27,107             | -                | -                | -              |
| Other payables to non-related parties (Note 11)                          | 99,682           | 99,682                             | 99,682             | -                | -                | -              |
| Trade payables to related parties (Note 35)                              | 2,835            | 2,835                              | 2,835              | -                | -                | -              |
| <b>Total</b>   | <b>6,708,102</b> | <b>8,068,596</b>                   | <b>3,971,847</b>   | <b>2,388,852</b> | <b>1,339,853</b> | <b>368,044</b> |
|  |                  |                                    |                    |                  |                  |                |
| <b>31 December 2020</b>  |                  |                                    |                    |                  |                  |                |
| <b>Non-derivative financial liabilities</b>                              |                  |                                    |                    |                  |                  |                |
| Short term and long term financial liabilities (Note 8)                  | 2,686,821        | 3,025,031                          | 1,039,677          | 1,348,393        | 592,200          | 44,761         |
| Lease payables (Note 8)  | 211,440          | 361,046                            | 13,131             | 55,911           | 125,428          | 166,576        |
| Trade payables to non-related parties (Note 9)                           | 709,590          | 710,902                            | 702,774            | 8,128            | -                | -              |
| Payables from finance sector operations to non-related parties (Note 10) | 4,590            | 4,590                              | 4,590              | -                | -                | -              |
| Other payables to non-related parties (Note 11)                          | 160,902          | 160,902                            | 150,449            | 1,612            | 8,841            | -              |
| Trade payables to related parties (Note 35)                              | 1,726            | 1,726                              | 1,726              | -                | -                | -              |
| <b>Total</b>   | <b>3,775,069</b> | <b>4,264,197</b>                   | <b>1,912,347</b>   | <b>1,414,044</b> | <b>726,469</b>   | <b>211,337</b> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

**NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**d) Fair value of financial instruments**

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments are determined by the Group, using available market information and appropriate valuation methodologies for each segment of the Group. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

The following methods and assumptions are used in the estimation of the fair value of the financial instruments for which it is practicable to estimate fair value:

*Monetary assets*

The fair values of balances denominated in foreign currencies, which are translated at the period end exchange rates, are considered to approximate carrying value.

The fair values of certain financial assets carried at cost, including fair values of cash and due from banks are considered to approximate their respective carrying values due to their short-term nature and immateriality of losses on collectibility. The fair value of investment securities has been estimated based on the market prices at the statement of financial position dates.

Trade receivables are disclosed at their amortized cost using the effective interest rate method and the carrying values of trade receivables along with the related allowances for collectability are estimated to be at their fair values.

The estimated fair value of receivables from finance sector operations represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates with similar currency and remaining maturity in order to determine their fair value.

*Monetary liabilities*

The fair value of bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at variable rates, and denominated in foreign currencies, are translated at the period-end exchange rates and accordingly, their fair values approximate their carrying values.

Trade payables are disclosed at their amortized cost using the effective interest rate method and accordingly their carrying amounts approximate their fair values.

The estimated fair value of demand deposits with no stated maturity classified under payables to finance sector operations, represents the amount repayable on demand. The fair value of overnight deposits is considered to approximate their carrying values. The estimated fair value of fixed-interest deposits is calculated based on discounted cash flows using market interest rates applied to similar loans and other debts. In case the maturities are short-term, the carried value is assumed to reflect the fair value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

**NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)****e) Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net liability/total equity ratio. Net liability is calculated as the total liability less cash and cash equivalents, derivative instruments and tax liabilities. Total equity is calculated as the total of net liability and the equity as shown in the consolidated statement of financial position.

The net financial liability/total equity ratio as of 31 December 2021 and 31 December 2020 is summarized below:

|   | <b>31 December 2021</b> | <b>31 December 2020</b> |
|---|-------------------------|-------------------------|
| Total liability   | 4,657,300               | 2,898,261               |
| Less: Cash and cash equivalents (Note 6)                    | (4,646,127)             | (2,905,947)             |
| <b>Net liabilities</b>                                      | <b>11,173</b>           | <b>(7,686)</b>          |
| Equity attributable to equity holders of the parent company | 12,905,136              | 8,439,989               |
| <b>Total equity</b>   | <b>12,916,309</b>       | <b>8,432,303</b>        |
| <b>Net financial liability/Total equity ratio</b>           | <b>0.00%</b>            | <b>0.00%</b>            |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 37 - FINANCIAL INSTRUMENTS

##### Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined as follows:

- First Level: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Second Level: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on prices from observable current market transactions.
- Third Level: The fair value of the financial assets and financial liabilities is determined in accordance with the unobservable current market data.

Based on the fair value hierarchy, the Group's financial assets and liabilities are categorized as follows:

|                                     | 31 December<br>2021 | Fair value level as of reporting date |                |                |
|-------------------------------------|---------------------|---------------------------------------|----------------|----------------|
|                                     |                     | Level 1<br>TRY                        | Level 2<br>TRY | Level 3<br>TRY |
| <b>Financial assets</b>             |                     |                                       |                |                |
| Derivative instruments              |                     |                                       |                |                |
| held for sale at fair value         |                     |                                       |                |                |
| through profit or loss (Note 23)    | 46,920              | -                                     | 46,920         | -              |
| Available-for-sale financial assets |                     |                                       |                |                |
| held at fair value                  |                     |                                       |                |                |
| through other comprehensive         |                     |                                       |                |                |
| income statement (Note 7)           | 364,930             | -                                     | 364,930        | -              |
| Bonds, bills and stocks (Note 7)    | 5,076,315           | 5,076,315                             | -              | -              |
| <b>Total</b>                        | <b>5,488,165</b>    | <b>5,076,315</b>                      | <b>411,850</b> | <b>-</b>       |
| <b>Financial liabilities</b>        |                     |                                       |                |                |
| Derivative instruments              |                     |                                       |                |                |
| held for sale at fair value         |                     |                                       |                |                |
| through profit or loss (Note 23)    | 17,776              | -                                     | -              | 17,776         |
| <b>Total</b>                        | <b>17,776</b>       | <b>-</b>                              | <b>-</b>       | <b>17,776</b>  |

# DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

### NOTE 37 - FINANCIAL INSTRUMENTS (Continued)

| Financial assets  | 31 December<br>2020 | Fair value level as of reporting date |                |                |
|---|---------------------|---------------------------------------|----------------|----------------|
|   |                     | Level 1<br>TRY                        | Level 2<br>TRY | Level 3<br>TRY |
| Derivative instruments<br>held for sale at fair value<br>through profit or loss (Note 23)                             | 22,683              | -                                     | 22,683         | -              |
| Available-for-sale financial assets<br>held at fair value<br>through other comprehensive<br>income statement (Note 7) | 192,089             | -                                     | 192,089        | -              |
| Bonds, bills and stocks (Note 7)  | 2,424,023           | 2,424,023                             | -              | -              |
| <b>Total</b>  | <b>2,638,795</b>    | <b>2,424,023</b>                      | <b>214,772</b> | <b>-</b>       |
| <b>Financial liabilities</b>  |                     |                                       |                |                |
| Derivative instruments<br>held for sale at fair value<br>through profit or loss (Note 23)                             | 41,263              | -                                     | -              | 41,263         |
| <b>Total</b>  | <b>41,263</b>       | <b>-</b>                              | <b>-</b>       | <b>41,263</b>  |

### NOTE 38 - SHARES IN OTHER OPERATIONS

Financial information of Aytemiz which is a subsidiary not wholly-owned but controlled by the Group and having significant non-controlling interest for the Group's consolidated financial statements, is presented below in accordance with TFRS 12.

| AYTEMİZ                              | 31 December 2021                        | 31 December 2020                        |
|--------------------------------------|---|---|
| Current assets                       | 1,984,551                               | 1,188,295                               |
| Non-current assets                   | 901,847                                 | 865,765                                 |
| Short-term liabilities               | 1,789,320                               | 995,684                                 |
| Long-term liabilities                | 170,450                                 | 357,936                                 |
| Total equity                         | 926,627                                 | 700,439                                 |
|                                      | <b>1 January -<br/>31 December 2021</b> | <b>1 January -<br/>31 December 2020</b> |
| Revenue                              | 11,330,847                              | 7,793,696                               |
| Cost of sales                        | (10,583,655)                            | (7,452,153)                             |
| Gross profit/(loss)                  | 747,192                                 | 341,543                                 |
| Profit/(loss) before taxation        | 261,115                                 | 28,457                                  |
| Total comprehensive income/(expense) | 226,188                                 | 17,316                                  |

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

#### NOTE 39 - FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/ INDEPENDENT AUDIT FIRMS

Information regarding the fees for the services received from the independent audit firms, in accordance with the letter of POA dated 19 August 2021 that was prepared considering the Board Decision published in the Official Gazette on 30 March 2021, is as follows:

|  | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Independent audit fee for the reporting period | 4,177            | 3,174            |
| Other assurance services                       | 31               | 54               |
|  | <b>4,208</b>     | <b>3,228</b>     |

#### NOTE 40 - SUBSEQUENT EVENTS

Subsequent significant events are as follows;

##### Capital Increase

We have decided to increase the TRY500,000,000 (exact) issued capital of the Group's subsidiary, Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş. ("Öncü Girişim"), to TRY1,500,000,000 (exact) by full cash contribution, to exercise all our rights to purchase new shares and accordingly, to determine our capital increase cash contribution amount as TRY750,000,000 (exact). The funds to be raised through the capital increase that will take place after Öncü Girişim obtains all the required licences and permissions will be mainly used in venture capital investments.

With the aim of making use of the opportunities to come up in parallel with the recovery of the financial environment during and after the global pandemic, we have decided to authorise local and foreign banks and portfolio management companies to manage the Group's cash efficiently and effectively by using shares, bills, bonds, futures, options and all types of structured products, listed in local and foreign capital markets, of the Group's subsidiary, DHI Investment B.V. ("DHI"), and we have also decided to increase DHI's paid in capital by EUR110,000,000 (exact) with entire capital cash contribution within 2022 in parallel with this aim, and to pay EUR20,000,000 (exact) of the capital increase to the bank account of DHI in Turkey.

The capital increase of TRY48,898,983.49 (exact) of the Group's subsidiary, Milta Turizm İşletmeleri A.Ş. ("Milta Turizm") was registered on 4 January 2022. All of this capital increase was covered by the equity of Neta Yönetim Danışmanlık Havacılık Hizmetleri A.Ş., which was transferred to Milta Turizm.

##### Amortisation and Issuance of Bills

The Group's subsidiary, Doruk Faktoring issued and sold discounted commercial bills with the nominal value of TRY82,000,000 (exact), with 181-day maturity, annual simple interest rate of 20.75% and annual compound interest of 21.84% to qualified investors without public offering on 29 July 2021. The said commercial bills were amortised on 26 January 2022. Also, Doruk Faktoring issued and sold discounted commercial bills with the nominal value of TRY90,000,000 (exact), with 93-day maturity, annual simple interest rate of 23.95% and annual compound interest rate of 26.18% to qualified investors without public offering on 26 January 2022. The amortisation date of the said commercial bills was 29 April 2022.



## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

#### NOTE 40 - SUBSEQUENT EVENTS (Continued)

##### Amortisation and Issuance of Bills (Continued)

The Group’s subsidiary, D Yatırım Bankası A.Ş. issued and sold discounted commercial bills with the nominal value of TRY150,000,000 (exact), with 42-day maturity, and with annual simple interest rate of 17.00% to qualified investors without public offering on 9 December 2021. The said commercial bills were amortised on 20 January 2022. D Yatırım Bankası A.Ş. issued and sold discounted commercial bills with the nominal value of TRY175,000,000 (exact), with 89-day maturity, annual simple interest rate of 22.50% and annual compound interest rate of 24.49% to qualified investors without public offering on 20 January 2022. The amortisation date of the said commercial bills was 19 April 2022.

The Group’s subsidiary, Suzuki issued and sold discounted commercial bills with the nominal value of TRY45,000,000 (exact), with 364-day maturity, annual simple interest rate of 24% and annual compound interest rate of 26.25% to qualified investors without public offering on 12 January 2022. The amortisation date of the said commercial bills was 13 April 2022.

The request of the Group’s subsidiary, Aytemiz Akaryakıt for issuance of debt instruments up to TRY300,000,000 (exact) for sale to qualified investors without local public offering was approved with the Capital Markets Board’s Decision No. 2/31 dated 13 January 2022.

##### Company Merger

The merger of Milta Turizm İşletmeleri A.Ş. (“Milta Turizm”) and Neta Yönetim Danışmanlık Havaçılık Hizmetleri A.Ş. (“Neta Yönetim”), which are subsidiaries of the Group, was registered on 4 January 2022. Milta Turizm’s capital increase of TRY48,898,983.49 (exact) was covered by Neta Yönetim’s equity and was registered on 4 January 2022.

##### Company Acquisition

The procedures of our wholly owned subsidiary Öncü Girişim Sermayesi Yatırım Ortaklığı A.Ş.’s indirect subsidiary Sesa Ambalaj ve Plastik Sanayi Ticaret A.Ş.’s acquisition of 2,100 of the registered shares of the packaging production company, Maksipak Ambalaj Sanayi ve Ticaret A.Ş., with the total nominal value of TRY2,100,000 (exact) and with a stand-alone nominal value of TRY1,000 (exact) out of 3,000 registered shares with a stand-alone nominal value of TRY1,000 (exact), which represent 70% of the company’s fully paid in capital of TRY3,000,000 (exact) and the procedures of transfer were carried out at a total price of EUR7,924,987 (exact) on 22 February 2022 and the “closing” transactions were completed on 22 February 2022.

##### Company Sale

Our company signed a Closing Protocol on 28 February 2022 regarding the sale and transfer of 29,100 shares of [each of which has TRY1,000 nominal value and have TRY29,100,000 (exact) nominal value in total, all of which are registered, and which belong to Doruk Finansman A.Ş. in which we are a 97% shareholder in its fully paid capital of TRY30,000,000 (exact)] to Hepsi Finansal Danışmanlık A.Ş. at a total price of TRY19,400,000 (exact).

##### Doğan Burda Share Sale

Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş., the Group’s partnership subject to joint management, made 9,000 sale transactions on its shares on 1 March 2022. With these transactions, our share in the partnership has become 39.83%.

## DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated. Currencies other than TRY, expressed in thousands unless otherwise indicated.)

---

#### NOTE 40 - SUBSEQUENT EVENTS (Continued)

##### Non-adjusting Event After the Reporting Period

The regulations in Law No. 7352, promulgated in the Official Gazette No. 31734 dated 29 January 2022, provide various tax advantages for the accounts converted to Turkish lira in the scope of supporting the conversion to deposit and participation accounts in Turkish lira. As the said law was not in effect as of the end of the reporting period, the tax advantage amount of TRY6,293,396 (exact) (which corresponds to the last quarter of 2021 for the accounts that were converted between 31 December 2021 and the date on which financial statements were approved to be issued) was not reflected to financial statements in the scope of TAS 10 Non-adjusting Event After The Reporting Period. The said tax advantage amount will be reflected to the financial statements in the following accounting period.

.....